



CHARLOTTE-MECKLENBURG BOARD OF EDUCATION • CHARLOTTE, NORTH CAROLINA

2019 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, 2019

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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2019 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 30, 2019

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, 2019, 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 financial reporting entity includes all funds of the Board. The members of the Board are elected by the public and corporately 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 2018 was approximately 1.1 million. Mecklenburg County is the second-largest financial center in the United States and the center of the nation's sixth-largest urban region. 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 Brighthouse Financial. A sixth Fortune 500 company, Lowe's, is headquartered in adjacent Iredell County.

Letter of Transmittal

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. For example, in 2018 Charlotte Douglas International Airport ranked sixth-largest (by operations) airport in the country and the city is home to more than 600 trucking and transportation firms.

Moreover, the area continues to grow steadily – and much of that growth is younger people. It is worth noting that in 2018 the median age for the county was 34.9, well below the median ages of North Carolina (38.4) and the nation (37.8). 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 2018-2019 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 2018-2019 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 175 schools in the 2018-2019 year. There were 11 magnet programs in 67 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 2018. 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 2018-2019 was \$1.6 billion, with a budgeted per-pupil expenditure of \$10,134. CMS is the third-largest employer in Mecklenburg County: the district had 19,163 employees, including 9,401 teachers, in 2018-2019. 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 2018-2019. 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 those funds can be used – seems likely to continue in North Carolina.

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ACADEMIC PROGRESS AND INITIATIVES

Academic performance across the district experienced some steps forward and some steps backward in the 2018-2019 school year. Across the multitude of key academic indicators for the district, the following areas were noteworthy.

The district's four-year cohort graduation rate showed a small increase to 85.5 percent, up from 85.4 percent the prior year. Asian, Black, and Hispanic students all demonstrated increases in graduation rates from the prior year, along with Limited English Proficient/English Learner Students (LEP/ELS) and Students with Disabilities (SWD). White students and Economically Disadvantaged Students (EDS) showed declines from the prior year.

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 third year in a row to 44.0 percent, down from 44.9 percent a year earlier. In math for grades three through eight, new math assessment scales made 2018-2019 a baseline year for math performance. With the new scales, CCR rates were 47.4 percent. In science (tested in grades five and eight), the percentage of students College and Career Ready increased to 66.0 percent, up from 65.0 percent the previous year. This represents an increase for the past two years. 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 increased to 52.5 percent, up from 50.6 percent the year prior. The percentage of College and Career Ready students in Biology I was flat at 53.5 percent for the past two years. As with math in grades 3-8, new math assessment scales were created for high school in 2018-2019. Thus, 2018-2019 was also a baseline year for high school math assessments. Math 3 was a new End-of-Course test in 2018-2019. The percentage of students who were College and Career Ready in Math 1 (9-12 grades) was 16.4 percent. The percentage of students who were College and Career Ready in Math 3 (9-12 grades) was 29.8 percent. In six of the seven EOG and EOC tested areas – math, science, English II, Math 1 (9-12), Math 3 (9-12), and Biology – CMS outperformed the state in the percentage of students who were College and Career Ready. CMS was slightly behind the state in reading (3-8) at 44.0 percent, compared to 45.2 percent statewide. Additionally, CMS outperformed all of our NC peer districts in Math I (9-12) and outperformed all but one of our peer districts in the other 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: did not meet expected growth, met expected growth, or exceeded expected growth. Approximately 71.7 percent of CMS schools met or exceeded growth expectations. This was a decline, down from 75.1 percent the prior year.

The ACT measures college-readiness and 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 universities to be considered for admission. In 2018-2019, 54.6 percent of 11th graders earned a 17 or higher, down from 56.3 the prior year.

North Carolina assigns schools a School Performance Grade based on a variety of indicators, including EOG and EOC results, the number of high school juniors who pass NC Math 3 or Integrated Math 3 and the percentage of students who graduate from high school in four years. The number of CMS schools earning an A declined slightly to 17 schools, which is 10 percent of schools receiving a letter grade. The number of schools earning a B increased to 53, or 31 percent of all schools. Schools with a grade of C decreased to 55, or 32 percent of schools. The number of schools with a grade of D was 39, or 23 percent of schools. Seven schools, or four percent, received an F grade. Four schools (Merancas Middle College, Lincoln Heights

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Academy, Metro School, and Turning Point Academy) had insufficient data and did not receive a school performance grade. These schools are not included in the above percentages.

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. The Board adopts budgets by fund and purpose for all governmental funds and the proprietary funds. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget and in funds provided by the federal, state, and local governments. The financial section reflects the final budget, as amended for the fiscal year. 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 been received or for services not yet rendered. The GAAP financial statements in the report do not include encumbrances while the budgetary basis statements do. Reconciliations between these bases are included in the Notes to Basic Financial Statements. Maintenance of an encumbrance accounting system is one method of maintaining budgetary control.

Internal Control Structure: The 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

Letter of Transmittal

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 awards. 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. The contributions of all are sincerely appreciated and the efforts clearly reflect the high standards and accountability we have set for ourselves.

Respectfully submitted,



Sheila W. Shirley
Chief Financial Officer

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Vice-Chairperson, At-Large

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Charlotte-Mecklenburg Schools

Executive Staff

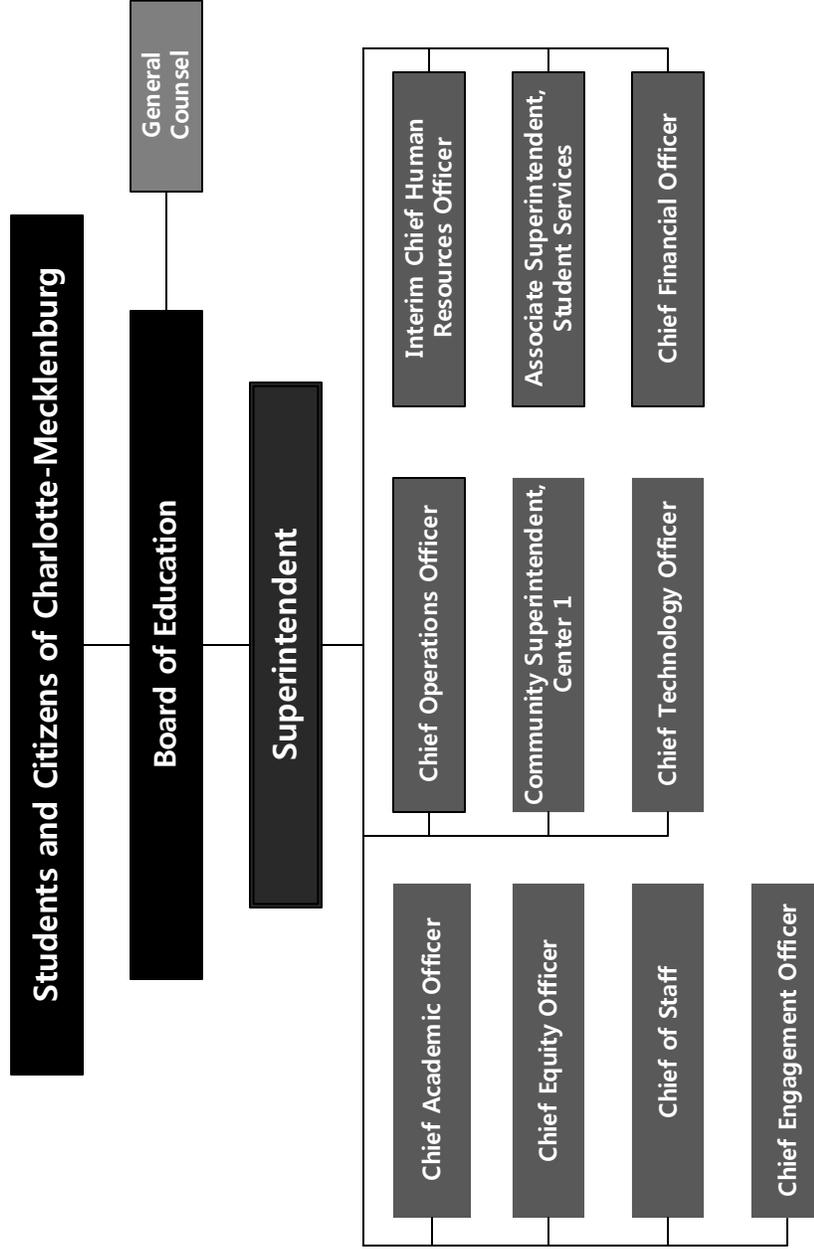
June 30, 2019

Clayton M. Wilcox, Ed.D.	Superintendent
Carol Stamper	Chief Operations Officer
Sheila W. Shirley	Chief Financial Officer
Derek Root	Chief Technology Officer
Earnest Winston	Chief Community Relations and Engagement Officer/Ombudsman
Tracy Russ	Chief Communications Officer
Brian Kingsley	Chief Academic Officer
Frank Barnes	Chief Equity Officer
Laura Francisco	Chief of Staff
George Battle III	General Counsel
Gerri Parker	Interim Chief Human Resources Officer
Denise Watts, Ed.D.	Community Superintendent, Center City 1
Tara Lynn Sullivan	Community Superintendent, Center City 2
Matthew Hayes, Ed.D.	Community Superintendent, Northwest
Stephen Esposito, Ed.D.	Community Superintendent, Southwest
John Wall	Community Superintendent, Northeast
Konda Rattley, Ed.D.	Community Superintendent, Southeast
Kathleen Elling	Associate Superintendent, Student Services
Trish Sexton	Associate Superintendent, Elementary Schools
Avery Mitchell	Associate Superintendent, Middle Schools
Akeshia Craven-Howell	Associate Superintendent, Student Assignment and School Choice
Ann Stalnaker, Ed.D.	Assistant Superintendent, Exceptional Children
Mike Chilcutt	Assistant Superintendent, Fine Arts Education
Chris Triolo	Executive Director, Learning and Teaching 6-12
Angela Bartles	Executive Director, Strategy Management
Sonja Gantt	Executive Director, CMS Foundation
Kelly Price	Executive Director, Title 1
Charlotte Nadja Trez	Executive Director, English Learning and Language Acquisition
LaTarzja Henry	Executive Director, Community Partnerships and Family Engagement
Cotrane Penn, Ed.D.	Executive Director, Student Services

Charlotte-Mecklenburg Schools

District Organization Chart

2018 – 2019





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, 2018

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, 2018.**

The CAFR meets the criteria established for
ASBO International's Certificate of Excellence.



A handwritten signature in black ink, appearing to read 'Tom Wohlleber'.

Tom Wohlleber, CSR
President

A handwritten signature in black ink, appearing to read 'Siobhán McMahon'.

Siobhán McMahon, CAE
Chief Operating Officer

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2019 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, 2019, 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, 2019, 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

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 30, 2019 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 30, 2019**

CHARLOTTE-MECKLENBURG BOARD OF EDUCATION MANAGEMENT'S DISCUSSION AND ANALYSIS For the Year Ended June 30, 2019

INTRODUCTION

Our discussion and analysis of Charlotte-Mecklenburg Board of Education's (the Board's) financial performance provides a narrative overview of the Board's financial activities for the fiscal year ended June 30, 2019. 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 increased by 149 students (or 0.10%) 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 \$424.5 million.
- The Board's total net position increased by \$95.5 million in FY 2019 primarily due to increased capital assets in the governmental activities. However, net position still remains negative after restating beginning net position of FY 2018 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 \$103.8 million, an increase of \$4.6 million in comparison with the prior year. Approximately 20% of this total amount, or \$21.0 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, 2019 (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. School 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 School 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, 2019 (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 \$424.5 million as of June 30, 2019. The largest component of net position is net investment in capital assets, of \$2.0 billion. The Net OPEB Liability of \$1.5 billion presented on the financial statement in accordance with GASB 75 contributes significantly to the 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, 2019 and 2018
(Amounts expressed in thousands)**

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2019	2018	2019	2018	2019	2018
Current assets	\$ 212,982	\$ 189,378	\$ 51,418	\$ 51,635	\$ 264,400	\$ 241,013
Capital assets	<u>2,014,139</u>	<u>1,954,681</u>	<u>6,181</u>	<u>7,163</u>	<u>2,020,320</u>	<u>1,961,844</u>
Total assets	<u>2,227,121</u>	<u>2,144,059</u>	<u>57,599</u>	<u>58,798</u>	<u>2,284,720</u>	<u>2,202,857</u>
Deferred Outflows of Resources	<u>447,114</u>	<u>368,282</u>	<u>8,805</u>	<u>7,335</u>	<u>455,919</u>	<u>375,617</u>
Current liabilities	109,144	89,617	2,264	2,451	111,408	92,068
Net Pension Liability	588,748	465,062	11,569	9,262	600,317	474,324
Net OPEB Liability	1,518,493	1,760,477	30,548	35,062	1,549,041	1,795,539
Other Long-Term liabilities	<u>92,975</u>	<u>90,324</u>	<u>1,885</u>	<u>1,829</u>	<u>94,860</u>	<u>92,153</u>
Long-Term liabilities	<u>2,200,216</u>	<u>2,315,863</u>	<u>44,002</u>	<u>46,153</u>	<u>2,244,218</u>	<u>2,362,016</u>
Total liabilities	<u>2,309,360</u>	<u>2,405,480</u>	<u>46,266</u>	<u>48,604</u>	<u>2,355,626</u>	<u>2,454,084</u>
Deferred Inflows of Resources	<u>793,888</u>	<u>631,800</u>	<u>15,607</u>	<u>12,583</u>	<u>809,495</u>	<u>644,383</u>
Net investment in capital assets	2,008,177	1,945,042	6,181	7,163	2,014,358	1,952,205
Restricted net position	79,251	73,342	34	64	79,285	73,406
Unrestricted net position	<u>(2,516,441)</u>	<u>(2,543,323)</u>	<u>(1,684)</u>	<u>(2,281)</u>	<u>(2,518,125)</u>	<u>(2,545,604)</u>
Total net position	\$ <u>(429,013)</u>	\$ <u>(524,939)</u>	\$ <u>4,531</u>	\$ <u>4,946</u>	\$ <u>(424,482)</u>	\$ <u>(519,993)</u>

Note that the total net position increased by \$95.5 million during the year indicating an enhancement in the financial condition of the Board. The increase in net position (approximately 18.4%) was due mainly to the increase in capital assets in governmental activities as a result of land purchases and new construction. 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, 2019 (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, 2019 and 2018
(Amounts expressed in thousands)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2019	2018	2019	2018	2019	2018
REVENUES:						
Program revenues:						
Charges for services	\$ 2,516	\$ 3,115	\$ 24,435	\$ 25,163	\$ 26,951	\$ 28,278
Operating grants and contributions	113,715	109,081	53,819	58,716	167,534	167,797
Capital grants and contributions	-	-	253	709	253	709
General revenues:						
Unrestricted state appropriations	871,572	836,103	-	-	871,572	836,103
Unrestricted county appropriations	577,954	517,101	-	-	577,954	517,101
Other revenues	35,753	26,509	807	550	36,560	27,059
Total revenues	<u>1,601,510</u>	<u>1,491,909</u>	<u>79,314</u>	<u>85,138</u>	<u>1,680,824</u>	<u>1,577,047</u>
EXPENSES:						
Governmental activities:						
Instructional programs	1,214,031	1,299,707	-	-	1,214,031	1,299,707
Supporting services	290,107	301,336	-	-	290,107	301,336
Community service	1,142	853	-	-	1,142	853
Other	-	15	-	-	-	15
Business-type activities:						
After-School Enrichment	-	-	12,999	14,993	12,999	14,993
School Nutrition	-	-	67,034	69,813	67,034	69,813
Total expenses	<u>1,505,280</u>	<u>1,601,911</u>	<u>80,033</u>	<u>84,806</u>	<u>1,585,313</u>	<u>1,686,717</u>
Excess before transfers	96,230	(110,002)	(719)	332	95,511	(109,670)
Transfers in (out)	(304)	(234)	304	234	-	-
Increase (decrease) in net position	<u>95,926</u>	<u>(110,236)</u>	<u>(415)</u>	<u>566</u>	<u>95,511</u>	<u>(109,670)</u>
Net Position, beginning	<u>(524,939)</u>	<u>(414,703)</u>	<u>4,946</u>	<u>4,380</u>	<u>(519,993)</u>	<u>(410,323)</u>
Net Position, ending	\$ <u>(429,013)</u>	\$ <u>(524,939)</u>	\$ <u>4,531</u>	\$ <u>4,946</u>	\$ <u>(424,482)</u>	\$ <u>(519,993)</u>

Total governmental activities generated revenues of \$1.6 billion while expenses in this category totaled \$1.5 billion for the year ended June 30, 2019. Comparatively, revenues were \$1.5 billion and expenses totaled \$1.6 billion for the year ended June 30, 2018. After transfers to the business-type activities, the increase in net position of governmental activities stands at \$95.9 million at June 30, 2019, compared to a decrease of \$110.2 million in 2018.

Instructional expenses comprised 80.7% of total governmental-type expenses while support services made up 19.3% of those expenses for 2019. County funding comprised 36.1% (28.7% operating and 7.4% capital) of total governmental revenue while state funding added another 54.4% for 2019. In 2018, county funding was 34.7% (28.8% operating and 5.9% capital) of total governmental revenue while state funding added another 56.0%. Most of the remaining 9.5% of total governmental revenue for 2019 consists of federal funding and revenue generated from other local sources. Comparable revenue from those sources in 2018 generated 9.3% of total governmental revenue.

**CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
MANAGEMENT’S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2019 (continued)**

Business-type activities generated revenue of \$79.3 million and had expenses of \$80.0 million for the year ended June 30, 2019. Comparatively, revenues were \$85.1 million and expenses totaled \$84.8 million for the year ended June 30, 2018. Net position decreased in the business-type activities by \$0.4 million compared to an increase of \$0.6 million in 2018.

FINANCIAL ANALYSIS OF THE BOARD’S FUNDS

GOVERNMENTAL AND PROPRIETARY 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.

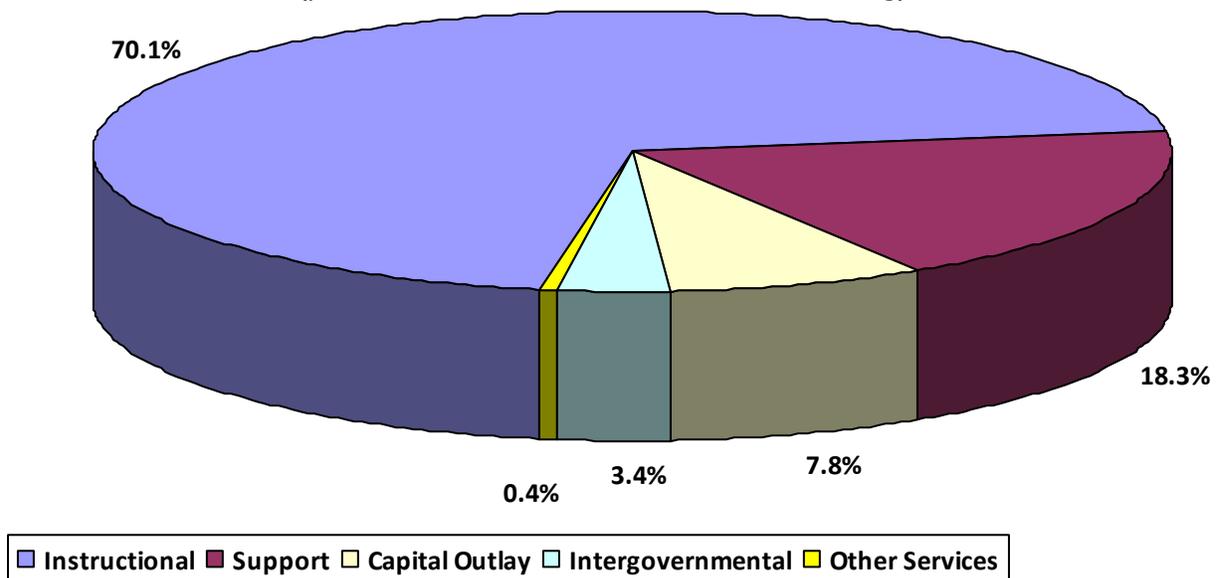
The Board’s governmental funds reported a combined fund balance of \$103.8 million, an increase of \$4.6 million from the prior year. At the close of the year, state funding was \$891.6 million, compared to \$847.2 million in 2018, an increase of approximately \$44.4 million for the year. County funding was \$578.0 million, compared to \$517.1 million in 2018, an increase approximately \$60.9 million for the year. Federal grant funding, which includes both Direct Federal Grants and State Administered Federal Grants was \$91.7 million, compared to \$91.4 million in 2018, an increase of \$0.3 million for the year.

At the end of the year, the General Fund net fund balance increased \$4.6 million primarily due to an increase in encumbrances from the prior year of \$4.5 million. In 2018, there was a decrease in net fund balance of \$18.4 million. The Capital Projects Fund increase in net fund balance of \$2.1 million is due to installment purchases related to buses of \$1.9 million and compares to a decrease in net fund balance of \$1.8 million in 2018. The Special Revenue Fund had a decrease in net fund balance of \$2.4 million compared to an increase in fund balance of \$5.2 million in the prior year primarily due to increased utility expenses in this fund. The Direct Federal Grants Fund’s net fund balance decreased \$0.3 million as a result of encumbrances being lower than in the prior year.

The Board’s proprietary funds reflected a total decrease in net position of \$0.4 million. The School Nutrition Program reflected a decrease in net position over the last year of \$0.7 million. In 2018, there was an increase in net position of \$1.6 million. The After School Enrichment Program reflected an increase in net position of \$0.3 million compared to a decrease of \$1.1 million in 2018.

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, 2019 (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. Total amendments to the General Fund increased revenues by approximately \$0.3 million primarily to reflect higher than anticipated interest income and lower than expected revenues from police sales. Additional information about the budgetary comparisons for the Governmental Funds and budget management is included in Note I, Section D in the Notes to the Basic Financial Statements.

CAPITAL ASSETS

At June 30, 2019, the Board had \$3.1 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 \$58.5 million. The increase is primarily due to land acquisitions and construction projects underway.

**Summary of Capital Assets
as of June 30, 2019 and 2018**
(amounts expressed in thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	6/30/19	6/30/18	6/30/19	6/30/18	6/30/19	6/30/18
Land	\$ 154,311	\$ 135,918	\$ -	\$ -	\$ 154,311	\$ 135,918
Construction in Progress	133,902	69,723	-	-	133,902	69,723
Buildings	2,570,506	2,536,579	-	-	2,570,506	2,536,579
Equipment	221,477	220,390	33,656	33,369	255,133	253,759
	3,080,196	2,962,610	33,656	33,369	3,113,852	2,995,979
Less accumulated depreciation	(1,066,057)	(1,007,929)	(27,475)	(26,206)	(1,093,532)	(1,034,135)
Total	\$ 2,014,139	\$ 1,954,681	\$ 6,181	\$ 7,163	\$ 2,020,320	\$ 1,961,844

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 \$0.1 million due mainly to the decrease in net OPEB liability. 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 the Board. Therefore, the County's economic outlook directly affects that of the school district. The County's unemployment rate of 4.1% for 2019 reflects an increase from 4.0% in 2018. The County's unemployment rate is below the state rate of 4.2% and above the national rate of 3.8%. 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, 2019 (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, 2019
(Amounts expressed in thousands)

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
ASSETS			
Cash and Cash Equivalents	\$ 155,024	\$ 46,716	\$ 201,740
Receivables:			
Mecklenburg County	16,886	-	16,886
State of North Carolina	29,441	-	29,441
US Government Agencies	2,784	1,658	4,442
Other	6,040	386	6,426
Net OPEB Asset	1,617	34	1,651
Inventories	1,190	2,624	3,814
Capital Assets			
Land, Improvements and Construction in Progress	288,213	-	288,213
Other Capital Assets, net of depreciation	1,725,926	6,181	1,732,107
Total Capital Assets	<u>2,014,139</u>	<u>6,181</u>	<u>2,020,320</u>
TOTAL ASSETS	<u>2,227,121</u>	<u>57,599</u>	<u>2,284,720</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>447,114</u>	<u>8,805</u>	<u>455,919</u>
LIABILITIES			
Accounts Payable	27,358	396	27,754
Accrued Wages Payable	58,679	413	59,092
Unearned Revenue	10,833	1,313	12,146
Long-term Liabilities:			
Due Within One Year			
Obligations Under Installment Purchases	3,447	-	3,447
Liability for Compensated Absences	5,180	142	5,322
Claims Liability	3,647	-	3,647
Due in More than One Year			
Net Pension Liability	588,748	11,569	600,317
Net OPEB Liability	1,518,493	30,548	1,549,041
Obligations Under Installment Purchases	2,515	-	2,515
Claims Liability	7,080	-	7,080
Liability for Compensated Absences	83,380	1,885	85,265
TOTAL LIABILITIES	<u>2,309,360</u>	<u>46,266</u>	<u>2,355,626</u>
DEFERRED INFLOWS OF RESOURCES	<u>793,888</u>	<u>15,607</u>	<u>809,495</u>
NET POSITION			
Net Investment in Capital Assets	2,008,177	6,181	2,014,358
Restricted:			
Stabilization by State Statute	63,237	-	63,237
Individual School Activities	6,149	-	6,149
Insurance Claims	8,248	-	8,248
DIPNC OPEB plan	1,617	34	1,651
Unrestricted	(2,516,441)	(1,684)	(2,518,125)
TOTAL NET POSITION	<u>\$ (429,013)</u>	<u>\$ 4,531</u>	<u>\$ (424,482)</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, 2019**

(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	\$ 807,847	\$ 478	\$ 13,438	\$ -
Special	248,223	-	84,803	-
School Leadership	72,733	-	1,560	-
Co-Curricular	13,752	-	-	-
School-Based Support	71,476	-	4,881	-
Support and Development	11,523	-	2,348	-
Special Population Support	7,917	-	2,222	-
Technology Support	13,293	-	-	-
Operational Support	202,800	-	1,948	-
Financial and Human Resources	29,968	-	2,456	-
Accountability Services	4,581	-	-	-
System-Wide Pupil Support	3,882	-	-	-
Policy, Leadership and Public Relations	16,143	-	59	-
Community Services	1,142	2,038	-	-
Debt Service-Interest	-	-	-	-
Total Governmental Activities	1,505,280	2,516	113,715	-
Business-Type Activities:				
After School Program	12,999	13,158	-	-
School Nutrition Program	67,034	11,277	53,819	253
Total Business-Type Activities	80,033	24,435	53,819	253
TOTAL PRIMARY GOVERNMENT	\$ 1,585,313	\$ 26,951	\$ 167,534	\$ 253

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
 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
\$ (793,931)	\$ -	\$ (793,931)
(163,420)	-	(163,420)
(71,173)	-	(71,173)
(13,752)	-	(13,752)
(66,595)	-	(66,595)
(9,175)	-	(9,175)
(5,695)	-	(5,695)
(13,293)	-	(13,293)
(200,852)	-	(200,852)
(27,512)	-	(27,512)
(4,581)	-	(4,581)
(3,882)	-	(3,882)
(16,084)	-	(16,084)
896	-	896
-	-	-
<u>(1,389,049)</u>	<u>-</u>	<u>(1,389,049)</u>
-	159	159
<u>-</u>	<u>(1,685)</u>	<u>(1,685)</u>
<u>-</u>	<u>(1,526)</u>	<u>(1,526)</u>
<u>(1,389,049)</u>	<u>(1,526)</u>	<u>(1,390,575)</u>
865,986	-	865,986
5,586	-	5,586
459,865	-	459,865
118,089	-	118,089
2,494	807	3,301
33,259	-	33,259
(304)	304	-
<u>1,484,975</u>	<u>1,111</u>	<u>1,486,086</u>
95,926	(415)	95,511
<u>(524,939)</u>	<u>4,946</u>	<u>(519,993)</u>
<u>\$ (429,013)</u>	<u>\$ 4,531</u>	<u>\$ (424,482)</u>

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, 2019**

(Amounts expressed in thousands)

	MAJOR FUNDS			
	GENERAL	STATE PUBLIC SCHOOL	INDIVIDUAL SCHOOLS	CAPITAL PROJECTS
ASSETS				
Cash and Cash Equivalents	\$ 111,322	\$ -	\$ 6,149	\$ 25,720
Receivables:				
Mecklenburg County	-	-	-	16,886
State of North Carolina	2,317	27,071	-	53
U.S. Government Agencies	-	-	-	-
Other	1,753	3,367	-	-
Inventories	1,190	-	-	-
TOTAL ASSETS	\$ 116,582	\$ 30,438	\$ 6,149	\$ 42,659
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts Payable	\$ 17,550	\$ 863	\$ -	\$ 18,464
Accrued Wages Payable	30,827	26,208	-	-
Unearned Revenue	-	3,367	-	402
Total Liabilities	48,377	30,438	-	18,866
Fund Balance				
Nonspendable:				
Inventories	1,190	-	-	-
Restricted:				
Stabilization by State Statute	37,745	-	-	23,793
Individual Schools	-	-	6,149	-
Insurance Claims	8,248	-	-	-
Assigned:				
Special Revenue	-	-	-	-
Subsequent Years Expenditures	-	-	-	-
Unassigned:				
Unassigned:	21,022	-	-	-
Total Fund Balance	68,205	-	6,149	23,793
TOTAL LIABILITIES AND FUND BALANCES	\$ 116,582	\$ 30,438	\$ 6,149	\$ 42,659

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

Continued on Next Page

MAJOR FUNDS		NON-MAJOR FUND	
SPECIAL REVENUE	DIRECT FEDERAL GRANTS	STATE ADMINISTERED FEDERAL	TOTAL
\$ 9,299	\$ 2,534	\$ -	\$ 155,024
-	-	-	16,886
-	-	-	29,441
-	966	1,818	2,784
920	-	-	6,040
-	-	-	1,190
<u>\$ 10,219</u>	<u>\$ 3,500</u>	<u>\$ 1,818</u>	<u>\$ 211,365</u>
\$ 503	\$ 9	\$ 294	\$ 37,683
120	-	1,524	58,679
<u>4,525</u>	<u>2,941</u>	<u>-</u>	<u>11,235</u>
<u>5,148</u>	<u>2,950</u>	<u>1,818</u>	<u>107,597</u>
-	-	-	1,190
1,149	550	-	63,237
-	-	-	6,149
-	-	-	8,248
3,922	-	-	3,922
-	-	-	-
-	-	-	21,022
<u>5,071</u>	<u>550</u>	<u>-</u>	<u>103,768</u>
<u>\$ 10,219</u>	<u>\$ 3,500</u>	<u>\$ 1,818</u>	<u>\$ 211,365</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, 2019**

(Amounts expressed in thousands)

Total fund balances--governmental funds \$ 103,768

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	\$ 3,080,196	
Accumulated depreciation	<u>(1,066,057)</u>	2,014,139

Deferred outflows of resources related to pensions and OPEB 447,114

Net OPEB asset 1,617

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	\$ (88,560)	
Net pension liability	(588,748)	
Net OPEB liability	(1,518,493)	
Deferred inflows of resources related to pensions and OPEB	(793,888)	
Obligations under installment purchases	<u>(5,962)</u>	<u>(2,995,651)</u>

Net Position \$ (429,013)

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, 2019

(Amounts expressed in thousands)

	MAJOR FUNDS			
	GENERAL	STATE PUBLIC SCHOOL	INDIVIDUAL SCHOOLS	CAPITAL PROJECTS
REVENUES				
State of North Carolina:				
State Public School	\$ -	\$ 865,986	\$ -	\$ -
Other:				
Donated Textbooks	-	6,647	-	-
Other	-	-	-	5,586
Total State	<u>-</u>	<u>872,633</u>	<u>-</u>	<u>5,586</u>
Mecklenburg County:				
County Public Schools	408,105	-	-	118,089
Charter Schools	<u>51,760</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total County	<u>459,865</u>	<u>-</u>	<u>-</u>	<u>118,089</u>
U.S. Government Agencies:				
Title I--Education of Children of Low Income Families	-	-	-	-
Title VI--Education of Handicapped Children	-	-	-	-
School Improvement	-	-	-	-
Supporting Effective Instruction	-	-	-	-
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	-	-	-	51
Miscellaneous	<u>7,796</u>	<u>-</u>	<u>7,674</u>	<u>6,618</u>
Total Other	<u>7,796</u>	<u>-</u>	<u>7,674</u>	<u>6,669</u>
Total Revenues	<u>467,661</u>	<u>872,633</u>	<u>7,674</u>	<u>130,344</u>
CURRENT OPERATING EXPENDITURES				
Instructional Programs:				
Regular	166,405	527,253	20	-
Special	28,692	137,215	-	-
School Leadership	24,134	50,498	-	-
Co-Curricular	5,405	62	7,055	-
School-Based Support	<u>17,788</u>	<u>50,429</u>	<u>-</u>	<u>-</u>
Total Instructional Programs	<u>242,424</u>	<u>765,457</u>	<u>7,075</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, 2019
(Amounts expressed in thousands)

MAJOR FUNDS		NON-MAJOR FUND	
SPECIAL REVENUE	DIRECT FEDERAL GRANTS	STATE ADMINISTERED FEDERAL	TOTAL
\$ -	\$ -	\$ -	\$ 865,986
-	-	-	6,647
<u>13,385</u>	<u>-</u>	<u>-</u>	<u>18,971</u>
<u>13,385</u>	<u>-</u>	<u>-</u>	<u>891,604</u>
-	-	-	526,194
<u>-</u>	<u>-</u>	<u>-</u>	<u>51,760</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>577,954</u>
-	-	41,401	41,401
-	-	31,028	31,028
-	-	1,645	1,645
-	-	3,124	3,124
-	-	2,472	2,472
-	-	2,251	2,251
-	-	1,815	1,815
-	7,292	695	7,987
<u>-</u>	<u>7,292</u>	<u>84,431</u>	<u>91,723</u>
-	-	-	51
<u>17,676</u>	<u>-</u>	<u>-</u>	<u>39,764</u>
<u>17,676</u>	<u>-</u>	<u>-</u>	<u>39,815</u>
<u>31,061</u>	<u>7,292</u>	<u>84,431</u>	<u>1,601,096</u>
3,033	2,854	4,414	703,979
15,645	3,123	69,546	254,221
184	-	54	74,870
1,259	-	-	13,781
<u>363</u>	<u>2</u>	<u>4,736</u>	<u>73,318</u>
<u>20,484</u>	<u>5,979</u>	<u>78,750</u>	<u>1,120,169</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, 2019

(Amounts expressed in thousands)

	MAJOR FUNDS			
	GENERAL	STATE PUBLIC SCHOOL	INDIVIDUAL SCHOOLS	CAPITAL PROJECTS
CURRENT OPERATING EXPENDITURES (Continued)				
Support and Development:				
Regular Support	\$ 7,896	\$ 411	\$ -	\$ -
Career and Technical Support	227	434	-	-
Total Support and Development	<u>8,123</u>	<u>845</u>	<u>-</u>	<u>-</u>
Special Population Support:				
Special Population Support	2,308	605	-	-
Alternative Programs	2,099	308	-	-
Total Special Population Support	<u>4,407</u>	<u>913</u>	<u>-</u>	<u>-</u>
Technology Support:				
Technology Support	10,086	2,996	-	-
Total Technology Support	<u>10,086</u>	<u>2,996</u>	<u>-</u>	<u>-</u>
Operational Support:				
Communication Services	1,666	964	-	-
Printing and Copying	1,204	-	-	-
Public Utility and Energy	20,064	1,426	-	-
Custodial/Housekeeping	14,417	25,907	-	-
Transportation	16,040	70,733	-	-
Warehouse and Delivery	3,567	-	-	-
Facilities Planning	8,661	-	-	-
Maintenance of Plant	32,335	292	-	-
Total Operational Support	<u>97,954</u>	<u>99,322</u>	<u>-</u>	<u>-</u>
Financial and Human Resources:				
Financial Services	10,202	286	-	-
Insurance Claims	7,010	-	-	-
Human Resources Services	7,773	297	-	-
Staff Development Services	1,300	-	-	-
Total Financial and Human Resources	<u>26,285</u>	<u>583</u>	<u>-</u>	<u>-</u>
Accountability Services:				
Student Testing	3,847	-	-	-
Planning and Research	807	-	-	-
Total Accountability Services	<u>4,654</u>	<u>-</u>	<u>-</u>	<u>-</u>
System-Wide Pupil Support:				
Educational Media	542	1	-	-
Student Accounting	473	-	-	-
Guidance Support	242	-	-	-
Health Support	98	-	-	-
Safety and Security	2,483	140	-	-
Total System-Wide Pupil Support	<u>3,838</u>	<u>141</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, 2019
(Amounts expressed in thousands)

MAJOR FUNDS		NON-MAJOR FUND	
SPECIAL REVENUE	DIRECT FEDERAL GRANTS	STATE ADMINISTERED FEDERAL	TOTAL
\$ 292	\$ 1,528	\$ 1,027	\$ 11,154
-	-	-	661
<u>292</u>	<u>1,528</u>	<u>1,027</u>	<u>11,815</u>
15	50	613	3,591
585	-	1,552	4,544
<u>600</u>	<u>50</u>	<u>2,165</u>	<u>8,135</u>
42	-	-	13,124
<u>42</u>	<u>-</u>	<u>-</u>	<u>13,124</u>
388	-	-	3,018
305	-	-	1,509
7,675	-	-	29,165
-	-	-	40,324
323	-	44	87,140
-	-	-	3,567
-	-	-	8,661
204	-	-	32,831
<u>8,895</u>	<u>-</u>	<u>44</u>	<u>206,215</u>
840	-	-	11,328
-	-	-	7,010
67	-	135	8,272
145	-	12	1,457
<u>1,052</u>	<u>-</u>	<u>147</u>	<u>28,067</u>
2	-	-	3,849
32	-	-	839
<u>34</u>	<u>-</u>	<u>-</u>	<u>4,688</u>
-	-	-	543
-	-	-	473
-	-	-	242
-	-	-	98
-	-	-	2,623
<u>-</u>	<u>-</u>	<u>-</u>	<u>3,979</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, 2019
(Amounts expressed in thousands)

	MAJOR FUNDS			
	GENERAL	STATE	INDIVIDUAL SCHOOLS	CAPITAL PROJECTS
		PUBLIC SCHOOL		
Policy, Leadership and Public Relations:				
Board of Education	\$ 498	\$ -	\$ -	\$ -
Legal Services	2,118	-	-	-
Audit Services	80	-	-	-
Leadership	-	-	-	-
Office of Superintendent	534	177	-	-
Deputy, Associate, Assistant Superintendent	7,288	1,828	-	-
Public Relations and Marketing	2,629	-	-	-
Total Policy, Leadership and Public Relations	<u>13,147</u>	<u>2,005</u>	<u>-</u>	<u>-</u>
Ancillary Services:				
Community Services	-	-	-	-
Nutrition Services	64	368	-	-
Total Ancillary Services	<u>64</u>	<u>368</u>	<u>-</u>	<u>-</u>
Total Current Operating Expenditures	<u>410,982</u>	<u>872,630</u>	<u>7,075</u>	<u>-</u>
DEBT SERVICE EXPENDITURES				
Principal	-	-	-	5,586
Interest	-	-	-	-
Total Debt Service Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,586</u>
CAPITAL OUTLAY EXPENDITURES				
Building and Site Improvements	-	-	-	113,661
Furniture and Equipment	-	-	-	9,021
Vehicles	-	-	-	1,909
Total Capital Outlay Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>124,591</u>
INTERGOVERNMENTAL EXPENDITURES				
Charter Schools	51,760	-	-	-
Other	-	-	-	-
Total Intergovernmental Expenditures	<u>51,760</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>462,742</u>	<u>872,630</u>	<u>7,075</u>	<u>130,177</u>
REVENUES OVER (UNDER) EXPENDITURES	4,919	3	599	167
OTHER FINANCING SOURCES (USES)				
Installment Purchases Issued	-	-	-	1,909
Transfer Out	(301)	(3)	-	-
Total Other Financing Sources (Uses)	<u>(301)</u>	<u>(3)</u>	<u>-</u>	<u>1,909</u>
CHANGE IN NET FUND BALANCE	4,618	-	599	2,076
FUND BALANCE--Beginning of Year	63,587	-	5,550	21,717
FUND BALANCE--End of Year	<u>\$ 68,205</u>	<u>\$ -</u>	<u>\$ 6,149</u>	<u>\$ 23,793</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, 2019

(Amounts expressed in thousands)

MAJOR FUNDS		NON-MAJOR FUND	
SPECIAL REVENUE	DIRECT FEDERAL GRANTS	STATE ADMINISTERED FEDERAL	TOTAL
\$ -	\$ -	\$ -	\$ 498
1	-	-	2,119
-	-	-	80
-	-	-	-
-	-	-	711
1,255	1	58	10,430
33	-	-	2,662
<u>1,289</u>	<u>1</u>	<u>58</u>	<u>16,500</u>
735	-	-	735
-	-	-	432
<u>735</u>	<u>-</u>	<u>-</u>	<u>1,167</u>
33,423	7,558	82,191	1,413,859
-	-	-	5,586
-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>5,586</u>
-	-	-	113,661
-	-	-	9,021
-	-	-	1,909
<u>-</u>	<u>-</u>	<u>-</u>	<u>124,591</u>
-	-	-	51,760
-	31	2,240	2,271
<u>-</u>	<u>31</u>	<u>2,240</u>	<u>54,031</u>
33,423	7,589	84,431	1,598,067
(2,362)	(297)	-	3,029
-	-	-	1,909
-	-	-	(304)
<u>-</u>	<u>-</u>	<u>-</u>	<u>1,605</u>
(2,362)	(297)	-	4,634
7,433	847	-	99,134
<u>\$ 5,071</u>	<u>\$ 550</u>	<u>\$ -</u>	<u>\$ 103,768</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, 2019**
(Amounts expressed in thousands)

Total net change in fund balances--governmental funds \$ 4,634

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	\$ 126,238	
Depreciation expense	<u>(65,285)</u>	60,953

Contributions to the pension and OPEB plans in the current fiscal year are not included on the Statement of Activities. 157,243

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:

Obligations issued for installment purchases	(1,909)
Payments related to installment purchases	5,586

Proceeds from disposal of capital assets are recorded as revenues on the fund statements but not shown in the statement of activities (194)

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	(5,282)
Loss on disposal of capital assets	(1,301)
Pension and OPEB expense	<u>(123,804)</u>

Change in net position of governmental activities \$ 95,926

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, 2019
(Amounts expressed in thousands)

	GENERAL FUND			VARIANCE FROM AMENDED BUDGET
	ORIGINAL BUDGET	AMENDED BUDGET	ACTUAL	
REVENUES				
State of North Carolina	\$ -	\$ -	\$ -	\$ -
Mecklenburg County	459,865	459,865	459,865	-
U.S. Government Agencies	-	-	-	-
Other	1,375	1,693	1,714	21
Total Revenues	461,240	461,558	461,579	21
EXPENDITURES				
Current Operating Expenditures:				
Instructional Programs:				
Regular	166,950	178,726	172,135	6,591
Special	29,111	28,262	28,256	6
School Leadership	26,198	24,140	24,139	1
Co-Curricular	5,361	5,427	5,427	-
School-Based Support	19,557	18,922	18,921	1
Total Instructional Programs	247,177	255,477	248,878	6,599
Support and Development	9,008	8,186	8,186	-
Special Population Support	4,506	4,427	4,427	-
Technology Support	12,116	10,872	10,872	-
Operational Support	97,282	96,954	96,929	25
Financial and Human Resources	20,580	18,869	18,869	-
Accountability Services	4,815	4,466	4,466	-
System-Wide Pupil Support	3,884	3,574	3,574	-
Policy, Leadership and Public Relations	13,196	12,208	12,208	-
Ancillary Services	297	64	64	-
Total Current Operating Expenditures	412,861	415,097	408,473	6,624
Intergovernmental Expenditures:				
Charter Schools	53,979	51,760	51,760	-
Other	-	-	-	-
Total Intergovernmental Expenditures	53,979	51,760	51,760	-
Debt Service				
Principal	-	-	-	-
Interest	-	-	-	-
Total Debt Service Expenditures	-	-	-	-
Total Expenditures	466,840	466,857	460,233	6,624
REVENUES OVER (UNDER) EXPENDITURES	(5,600)	(5,299)	1,346	6,645
OTHER FINANCING SOURCES (USES):				
Appropriated Fund Balance	5,600	5,600	-	(5,600)
Transfer Out	-	(301)	(301)	-
REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES (USES)	\$ -	\$ -	\$ 1,045	\$ 1,045

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, 2019
(Amounts expressed in thousands)

	STATE PUBLIC SCHOOL FUND			
	ORIGINAL BUDGET	AMENDED BUDGET	ACTUAL	VARIANCE FROM AMENDED BUDGET
REVENUES				
State of North Carolina	\$ 884,018	\$ 894,967	\$ 871,126	\$ (23,841)
Mecklenburg County	-	-	-	-
U.S. Government Agencies	-	-	-	-
Other	-	-	-	-
Total Revenues	884,018	894,967	871,126	(23,841)
EXPENDITURES				
Current Operating Expenditures:				
Instructional Programs:				
Regular	551,159	543,296	528,807	14,489
Special	137,151	139,802	136,650	3,152
School Leadership	51,117	51,566	50,498	1,068
Co-Curricular	-	62	62	-
School-Based Support	51,761	51,198	50,420	778
Total Instructional Programs	791,188	785,924	766,437	19,487
Support and Development	1,049	1,211	845	366
Special Population Support	529	999	912	87
Technology Support	1,283	3,123	3,003	120
Operational Support	87,074	100,594	99,428	1,166
Financial and Human Resources	567	583	583	-
Accountability Services	254	-	-	-
System-Wide Pupil Support	59	157	141	16
Policy, Leadership and Public Relations	2,012	2,005	2,005	-
Ancillary Services	3	368	368	-
Total Current Operating Expenditures	884,018	894,964	873,722	21,242
Intergovernmental Expenditures:				
Charter Schools	-	-	-	-
Other	-	-	-	-
Total Intergovernmental Expenditures	-	-	-	-
Debt Service				
Principal	-	-	-	-
Interest	-	-	-	-
Total Debt Service Expenditures	-	-	-	-
Total Expenditures	884,018	894,964	873,722	21,242
REVENUES OVER (UNDER) EXPENDITURES	-	3	(2,596)	(2,599)
OTHER FINANCING USES:				
Appropriated Fund Balance	-	-	-	-
Transfer Out	-	(3)	(3)	-
REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	\$ -	\$ -	\$ (2,599)	\$ (2,599)

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, 2019
(Amounts expressed in thousands)

	SPECIAL REVENUE			VARIANCE FROM AMENDED BUDGET
	ORIGINAL BUDGET	AMENDED BUDGET	ACTUAL	
REVENUES				
State of North Carolina	\$ 14,055	\$ 14,113	\$ 13,421	\$ (692)
Mecklenburg County	-	-	-	-
U.S. Government Agencies	-	-	-	-
Other	16,375	25,161	17,868	(7,293)
Total Revenues	30,430	39,274	31,289	(7,985)
EXPENDITURES				
Current Operating Expenditures:				
Instructional Programs:				
Regular	1,668	6,406	3,053	3,353
Special	14,500	16,528	15,698	830
School Leadership	155	244	178	66
Co-Curricular	1,374	1,338	1,266	72
School-Based Support	281	428	365	63
Total Instructional Programs	17,978	24,944	20,560	4,384
Support and Development	130	358	283	75
Special Population Support	708	904	618	286
Technology Support	-	3	2	1
Operational Support	8,297	9,327	8,877	450
Financial and Human Resources	1,005	1,372	1,070	302
Accountability Services	121	145	39	106
System-Wide Pupil Support	-	-	-	-
Policy, Leadership and Public Relations	1,635	1,468	1,257	211
Ancillary Services	556	748	722	26
Total Current Operating Expenditures	30,430	39,269	33,428	5,841
Intergovernmental Expenditures:				
Charter Schools	-	-	-	-
Other	-	5	-	5
Total Intergovernmental Expenditures	-	5	-	5
Debt Service				
Principal	-	-	-	-
Interest	-	-	-	-
Total Debt Service Expenditures	-	-	-	-
Total Expenditures	30,430	39,274	33,428	5,846
REVENUES OVER (UNDER) EXPENDITURES	-	-	(2,139)	(2,139)
OTHER FINANCING SOURCES:				
Appropriated Fund Balance	-	-	-	-
Transfer Out	-	-	-	-
REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES	\$ -	\$ -	\$ (2,139)	\$ (2,139)

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, 2019
(Amounts expressed in thousands)

	DIRECT FEDERAL GRANTS			VARIANCE FROM AMENDED BUDGET
	ORIGINAL BUDGET	AMENDED BUDGET	ACTUAL	
REVENUES				
U.S. Government Agencies	\$ 7,245	\$ 8,386	\$ 7,316	\$ (1,070)
Total Revenues	<u>7,245</u>	<u>8,386</u>	<u>7,316</u>	<u>(1,070)</u>
EXPENDITURES				
Current Operating Expenditures:				
Instructional Programs:				
Regular	2,120	2,635	2,558	77
Special	3,368	3,285	3,122	163
School-Based Support	-	41	2	39
Total Instructional Programs	<u>5,488</u>	<u>5,961</u>	<u>5,682</u>	<u>279</u>
Support and Development	739	1,717	1,524	193
Special Population Support	-	50	50	-
Technology Support	-	-	-	-
Operational Support	982	606	-	606
Financial and Human Resources	-	-	-	-
Accountability Services	-	-	-	-
System-Wide Pupil Support	-	-	-	-
Policy, Leadership and Public Relations	3	1	1	-
Total Current Operating Expenditures	<u>7,212</u>	<u>8,335</u>	<u>7,257</u>	<u>1,078</u>
Intergovernmental Expenditures:				
Other	33	51	31	20
	<u>33</u>	<u>51</u>	<u>31</u>	<u>20</u>
Total Expenditures	<u>7,245</u>	<u>8,386</u>	<u>7,288</u>	<u>1,098</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>-</u>	<u>28</u>	<u>28</u>
OTHER FINANCING SOURCES (USES):				
Appropriated Fund Balance	-	-	-	-
Transfer Out	-	-	-	-
REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28</u>	<u>\$ 28</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, 2019

(Amounts expressed in thousands)

	MAJOR FUNDS		
	SCHOOL NUTRITION PROGRAM	AFTER SCHOOL ENRICHMENT PROGRAM	TOTAL
ASSETS			
Current Assets			
Cash and Cash Equivalents	\$ 40,644	\$ 6,072	\$ 46,716
Receivables:			
U.S. Government Agencies	1,658	-	1,658
Other	323	63	386
Net OPEB Asset	25	9	34
Inventories	2,624	-	2,624
Total Current Assets	<u>45,274</u>	<u>6,144</u>	<u>51,418</u>
Noncurrent Assets			
Capital Assets, Net of Depreciation	<u>6,181</u>	<u>-</u>	<u>6,181</u>
Total Assets	<u>51,455</u>	<u>6,144</u>	<u>57,599</u>
DEFERRED OUTFLOWS OF RESOURCES			
	<u>6,397</u>	<u>2,408</u>	<u>8,805</u>
LIABILITIES			
Current Liabilities			
Accounts Payable	384	12	396
Accrued Salaries, Wages and Benefits	317	96	413
Unearned Revenue	1,179	134	1,313
Compensated Absences Due Within One Year	82	60	142
Total Current Liabilities	<u>1,962</u>	<u>302</u>	<u>2,264</u>
Noncurrent Liabilities			
Net Pension Liability	8,406	3,163	11,569
Net OPEB Liability	22,170	8,378	30,548
Compensated Absences Due In More Than One Year	1,183	702	1,885
Total Noncurrent Liabilities	<u>31,759</u>	<u>12,243</u>	<u>44,002</u>
Total Liabilities	<u>33,721</u>	<u>12,545</u>	<u>46,266</u>
DEFERRED INFLOWS OF RESOURCES			
	<u>11,340</u>	<u>4,267</u>	<u>15,607</u>
NET POSITION			
Net Investment in Capital Assets	6,181	-	6,181
DIPNC OPEB Plan	25	9	34
Unrestricted Net Position	6,585	(8,269)	(1,684)
Total Net Position	<u>\$ 12,791</u>	<u>\$ (8,260)</u>	<u>\$ 4,531</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, 2019

(Amounts expressed in thousands)

	MAJOR FUNDS		
	SCHOOL NUTRITION PROGRAM	AFTER SCHOOL ENRICHMENT PROGRAM	TOTAL
OPERATING REVENUES			
Food Sales	\$ 11,277	\$ -	\$ 11,277
Participant Fees	-	13,158	13,158
Total Operating Revenues	<u>11,277</u>	<u>13,158</u>	<u>24,435</u>
OPERATING EXPENSES			
Food Cost	27,186	403	27,589
Salaries	22,922	8,658	31,580
Employee Benefits	5,489	1,897	7,386
Materials and Supplies	2,034	290	2,324
Utilities	114	-	114
Depreciation	1,506	-	1,506
Contracted Services	3,631	290	3,921
Indirect Costs	3,349	1,289	4,638
Other	803	172	975
Total Operating Expenses	<u>67,034</u>	<u>12,999</u>	<u>80,033</u>
OPERATING INCOME (LOSS)	<u>(55,757)</u>	<u>159</u>	<u>(55,598)</u>
NON-OPERATING REVENUES			
U.S. Government Subsidy	49,198	-	49,198
U.S. Government Commodities	4,570	-	4,570
Other	51	-	51
Interest Revenues	692	115	807
Total Non-Operating Revenues	<u>54,511</u>	<u>115</u>	<u>54,626</u>
INCOME BEFORE CONTRIBUTIONS AND TRANSFER	<u>(1,246)</u>	<u>274</u>	<u>(972)</u>
CAPITAL CONTRIBUTIONS	253	-	253
TRANSFER IN	<u>304</u>	<u>-</u>	<u>304</u>
CHANGE IN NET POSITION	(689)	274	(415)
TOTAL NET POSITION--Beginning of Year	<u>13,480</u>	<u>(8,534)</u>	<u>4,946</u>
TOTAL NET POSITION--End of Year	<u>\$ 12,791</u>	<u>\$ (8,260)</u>	<u>\$ 4,531</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, 2019

(Amounts expressed in thousands)

	MAJOR FUNDS		
	SCHOOL NUTRITION PROGRAM	AFTER SCHOOL ENRICHMENT PROGRAM	TOTAL
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received from Participants	\$ 11,337	\$ 13,187	\$ 24,524
Cash Paid to Employees	(28,736)	(10,725)	(39,461)
Cash Paid to Suppliers	(32,850)	(2,608)	(35,458)
Net Cash Provided (Used) In Operating Activities	<u>(50,249)</u>	<u>(146)</u>	<u>(50,395)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
Non-Operating Grants Received	49,629	-	49,629
Transfer In	304	-	304
Net Cash Provided (Used) By Non-Capital Financing Activities	<u>49,933</u>	<u>-</u>	<u>49,933</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of Equipment	(280)	-	(280)
Proceeds from Disposal of Capital Assets	31	-	31
Net Cash Provided (Used) In Capital and Related Financing Activities	<u>(249)</u>	<u>-</u>	<u>(249)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on Investments	692	115	807
Net Cash Provided (Used) By Investing Activities	<u>692</u>	<u>115</u>	<u>807</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	127	(31)	96
CASH AND CASH EQUIVALENTS--Beginning of Year	40,517	6,103	46,620
CASH AND CASH EQUIVALENTS--End of Year	<u>\$ 40,644</u>	<u>\$ 6,072</u>	<u>\$ 46,716</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
Operating Income (Loss)	\$ (55,757)	\$ 159	\$ (55,598)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) In Operating Activities:			
Depreciation	1,506	-	1,506
Loss on Disposals	8	-	8
Donated Commodities	4,570	-	4,570
Change in Assets, Deferred Outflows and Inflows of Resources and Liabilities:			
Accounts Receivable	(74)	(26)	(100)
Net OPEB Asset	22	8	30
Inventories	(55)	-	(55)
Accounts Payable	(257)	(163)	(420)
Due to/from Other Funds	-	28	28
Accrued Salaries, Wages and Benefits	-	9	9
Net OPEB Liability	(3,289)	(1,225)	(4,514)
Deferred Outflows of Resources	(1,071)	(399)	(1,470)
Deferred Revenue	134	27	161
Net Pension Liability	1,681	626	2,307
Longevity Payable	(3)	-	(3)
Compensated Absences	133	(10)	123
Deferred Inflows of Resources	2,203	820	3,023
Total Adjustments	<u>5,508</u>	<u>(305)</u>	<u>5,203</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (50,249)</u>	<u>\$ (146)</u>	<u>\$ (50,395)</u>
NON-CASH CAPITAL AND RELATED FINANCING ACTIVITIES			
Transfer of Equipment from Other Funds	\$ 253	\$ -	\$ 253

The State Public School Fund paid salaries and benefits of \$3 thousand to administrative personnel of the School Nutrition Fund during the fiscal year. The General Fund paid for uncollectible meal sales of \$258 thousand and salaries and benefits of the School Nutrition Fund of \$43 thousand during the fiscal year. The payments are reflected as a transfer on the Statement of Revenues, Expenses and Changes in Fund Net Position, page 29. The School Nutrition Fund received donated commodities with a value of \$4.6 million during the fiscal year. The receipt of the commodities is recognized as a Non-Operating Revenue. Capital Assets of \$253 thousand were donated to the School 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, 2019

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) 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, 2019

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:

School Nutrition Program: The School 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	\$ 1,045	\$ (2,599)	\$ (157,550)	\$ (2,585)	\$ (2,139)	\$ 28
Decrease in Insurance Fund Balance	(928)	-	-	-	-	-
Encumbrances at June 30, 2019	33,675	2,599	176,283	2,585	229	24
Encumbrances at June 30, 2018	(29,174)	-	(16,657)	-	(452)	(349)
Change in Fund Balance, GAAP Basis	\$ 4,618	\$ -	\$ 2,076	\$ -	\$ (2,362)	\$ (297)

CHARLOTTE-MECKLENBURG BOARD OF EDUCATION

NOTES TO BASIC FINANCIAL STATEMENTS

For the Year Ended June 30, 2019

The Board 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.

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, 2019

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, 2019, \$2.3 million of bank balances were covered by federal depository insurance and \$27.6 million were covered by collateral using the Pooling Method. Cash related to insurance reserves of \$18.8 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, 2019 (expressed in thousands) is:

North Carolina Short-Term Investment Fund	\$	169,161
North Carolina Capital Management Trust		590
Cash in Banks		<u>31,989</u>
	\$	<u>201,740</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, 2019, 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 0.11 years. There was \$169.2 million invested with the State Treasurer in the Short Term Investment Fund (STIF). The STIF is unrated and has a weighted average maturity of 1.3 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. The STIF securities are reported at cost and maintain a constant \$1 per share value. 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, 2019

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 School 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, 2019 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.

CHARLOTTE-MECKLENBURG BOARD OF EDUCATION

NOTES TO BASIC FINANCIAL STATEMENTS

For the Year Ended June 30, 2019

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 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 2019 was \$51.8 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.

CHARLOTTE-MECKLENBURG BOARD OF EDUCATION

NOTES TO BASIC FINANCIAL STATEMENTS

For the Year Ended June 30, 2019

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 North Carolina (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, 2019, was as follows (expressed in thousands):

	Beginning Balance 6/30/18	Increases	Decreases and Transfers to In-Service	Ending Balance 6/30/19
Governmental Activities				
Capital assets, not being depreciated:				
Land	\$ 135,918	\$ 18,400	\$ (7)	\$ 154,311
Construction in Progress	69,723	113,524	(49,345)	133,902
Total capital assets not being depreciated	205,641	131,924	(49,352)	288,213
Capital assets being depreciated:				
Buildings and Improvements	2,536,579	36,899	(2,972)	2,570,506
Equipment, Library and Vehicles	220,390	6,760	(5,673)	221,477
Total capital assets being depreciated	2,756,969	43,659	(8,645)	2,791,983
Total Assets	2,962,610	175,583	(57,997)	3,080,196
Less accumulated depreciation for:				
Buildings and Improvements	(847,352)	(54,433)	1,630	(900,155)
Equipment, Library and Vehicles	(160,577)	(10,852)	5,527	(165,902)
Total accumulated depreciation	(1,007,929)	(65,285)	7,157	(1,066,057)
Total capital assets being depreciated, net	1,749,040	(21,626)	(1,488)	1,725,926
Governmental activities capital assets, net	\$ 1,954,681	\$ 110,298	\$ (50,840)	\$ 2,014,139
Business-type Activities				
School Nutrition Fund:				
Capital assets being depreciated:				
Equipment and Vehicles	\$ 33,369	\$ 533	\$ (246)	\$ 33,656
Less accumulated depreciation for:				
Equipment and Vehicles	(26,206)	(1,506)	237	(27,475)
Business-type activities capital assets, net	\$ 7,163	\$ (973)	\$ (9)	\$ 6,181

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

Governmental activities:	
Regular Instructional	\$ 61,714
Special Instructional	13
Co-Curricular	85
Technology Support	392
Operational Support	3,068
Policy, Leadership, and PR	13
	\$ <u>65,285</u>

CHARLOTTE-MECKLENBURG BOARD OF EDUCATION

NOTES TO BASIC FINANCIAL STATEMENTS

For the Year Ended June 30, 2019

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 6.00% 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, 2019, was 12.29% 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 \$105.3 million for the year ended June 30, 2019.

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 4.00% 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, 2019, the Board reported a liability of \$600.3 million for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2017. The total pension liability was then rolled forward to the measurement date of June 30, 2018 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, 2018 and at June 30, 2017, the Board's proportion was 6.0%.

CHARLOTTE-MECKLENBURG BOARD OF EDUCATION

NOTES TO BASIC FINANCIAL STATEMENTS

For the Year Ended June 30, 2019

For the year ended June 30, 2019, the Board recognized pension expense of \$133.7 million. At June 30, 2019, 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	\$ 43,812	\$ 6,025
Changes in assumptions	120,468	-
Net difference between projected and actual earnings on pension plan investments	57,210	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	549	6,411
Employer contributions subsequent to the measurement date	105,271	-
	\$ 327,310	\$ 12,436

\$105.3 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, 2020. 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:

2020	\$	124,290
2021		77,823
2022		8,541
2023		(1,051)
	\$	209,603

Actuarial Assumptions. The total pension liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00 percent
Salary increases	3.50 to 8.10 percent, including inflation and productivity factor
Investment rate of return	7.00 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, 2017 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2015.

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

CHARLOTTE-MECKLENBURG BOARD OF EDUCATION

NOTES TO BASIC FINANCIAL STATEMENTS

For the Year Ended June 30, 2019

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, 2018 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 2017 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 3.00%. All rates of return and inflation are annualized.

Discount rate. The discount rate used to measure the total pension liability was 7.00%, a decrease of 0.20% from the discount rate used at the prior measurement date. 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 7.00 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 (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate (expressed in thousands):

	1% Decrease Rate (6.00%)	Discount Rate (7.00%)	1% Increase Rate (8.00%)
Board's proportionate share of the net pension liability (asset)	\$1,144,907	\$600,317	\$143,353

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

NOTES TO BASIC FINANCIAL STATEMENTS

For the Year Ended June 30, 2019

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.

CHARLOTTE-MECKLENBURG BOARD OF EDUCATION

NOTES TO BASIC FINANCIAL STATEMENTS

For the Year Ended June 30, 2019

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 6.27% of covered payroll which amounted to \$53.7 million.

At June 30, 2019, Board reported a liability of \$1.5 billion for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2017. The total OPEB liability was then rolled forward to the measurement date of June 30, 2018 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, 2018 and June 30, 2017, the Board's proportion was 5.44% and 5.48%, respectively.

\$53.7 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, 2020. 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:

2020	\$	(166,829)
2021		(166,829)
2022		(166,829)
2023		(166,663)
2024		(60,335)
	\$	<u>(727,485)</u>

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

Inflation	3.00 percent
Salary increases	3.50 to 8.10 percent, including 3.00 percent inflation and productivity factor
Investment rate of return	7.00 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	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 3.87%. 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 3.87% was used as the discount rate used to measure the total OPEB liability. The 3.87% rate is based on the Bond Buyer 20-year General Obligation Index as of June 30, 2018.

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 (2.87 percent) or 1-percentage point higher (4.87 percent) than the current discount rate (expressed in thousands):

	1% Decrease (2.87%)	Discount Rate (3.87%)	1% Increase (4.87%)
Net OPEB liability	\$ 1,830,206	\$ 1,549,040	\$ 1,323,655

CHARLOTTE-MECKLENBURG BOARD OF EDUCATION

NOTES TO BASIC FINANCIAL STATEMENTS

For the Year Ended June 30, 2019

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 healthcare trend rate that is 1-percentage-point lower or 1-percentage point higher than the current healthcare trend rates (expressed in thousands):

	1% Decrease (Medical - 5.50%, Pharmacy - 6.25%, Administrative - 2.00%)	Healthcare Trend Rates (Medical - 6.50%, Pharmacy - 7.25%, Administrative - 3.00%)	1% Increase (Medical - 7.50%, Pharmacy - 8.25%, Administrative - 4.00%)
Net OPEB liability	\$ 1,277,918	\$ 1,549,040	\$ 1,904,970

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 provided 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, 2019, 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 \$1.2 million for the year ended June 30, 2019.

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.

CHARLOTTE-MECKLENBURG BOARD OF EDUCATION

NOTES TO BASIC FINANCIAL STATEMENTS

For the Year Ended June 30, 2019

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

At June 30, 2019, Board reported an asset of \$1.7 million for its proportionate share of the net OPEB asset. The net OPEB asset was measured as of June 30, 2018, and the total OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2017. The total OPEB asset was then rolled forward to the measurement date of June 30, 2018 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, 2018 and June 30, 2017, the Board's proportion was 5.43% and 5.37%, respectively.

\$1.2 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, 2020. 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:

2020	\$	983
2021		982
2022		770
2023		588
2024		403
Thereafter		403
	\$	<u>4,129</u>

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

Inflation	3.00 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	\$ 1,265	\$ 1,651	\$ 2,021

Common actuarial assumptions for both OPEB plans. The total OPEB liability was determined by an actuarial valuation performed as of December 31, 2017 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, 2018. 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, 2015.

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

CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

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):

	<u>RHBF</u>	<u>DIPNC</u>	<u>Total</u>
OPEB Expense (Benefit)	\$ (7,630)	\$ 16	\$ (7,614)
OPEB Liability (Asset)	1,549,041	(1,651)	1,547,390
Proportionate share of the net OPEB Liability (Asset)	5.44%	5.43%	

Deferred Outflows of Resources

Differences between expected and actual experience	-	2,880	2,880
Changes of assumptions	-	312	312
Net difference between projected and actual earnings on plan investments	167	1,286	1,453
Changes in proportion and differences between Board contributions and proportionate share of contributions	69,059	-	69,059
Board contributions subsequent to the measurement date	53,706	1,199	54,905
	\$ 122,932	\$ 5,677	\$ 128,609

Deferred Inflows of Resources

Differences between expected and actual experience	105,930	-	105,930
Changes of assumptions	671,080	-	671,080
Net difference between projected and actual earnings on plan investments	-	-	-
Changes in proportion and differences between Board contributions and proportionate share of contributions	19,701	348	20,049
	\$ 796,711	\$ 348	\$ 797,059

The Board 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 the Board to the employee's designated beneficiary.

CHARLOTTE-MECKLENBURG BOARD OF EDUCATION

NOTES TO BASIC FINANCIAL STATEMENTS

For the Year Ended June 30, 2019

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 \$150.6 million. These commitments will be funded by future revenues from Mecklenburg County.

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

The Board 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. The Board'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 \$1.0 million per any one occurrence for General Liability and Automobile Liability, \$0.5 million 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 expenditures over revenues in the amount of \$0.9 million results in the decrease in retained earnings from fiscal year 2018. The loss decreases the prior year's net position of \$9.2 million to \$8.3 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:

	2019	2018	
Claims liability, Beginning of year	\$ 9,616	\$ 9,403	
Payments	(3,483)	(3,223)	
Additions	4,594	3,436	
Claims liability, End of year	\$ 10,727	\$ 9,616	

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, 2019 totaled \$1.0 million.

CHARLOTTE-MECKLENBURG BOARD OF EDUCATION

NOTES TO BASIC FINANCIAL STATEMENTS

For the Year Ended June 30, 2019

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, 2019, are as follows (expressed in thousands):

Year Ending June 30	Governmental Activities
2020	\$ 3,447
2021	2,038
2022	477
Total Payments	\$ 5,962

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, 2019 are as follows (expressed in thousands):

Governmental Activities	\$ 88,560
Business-type Activities	\$ 2,027

d. 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, 2019 (expressed in thousands):

Governmental activities:	Beginning Balance	Increases	Decreases	Ending Balance	Current Portion
Claims liability	\$ 9,616	\$ 4,594	\$ 3,483	\$ 10,727	\$ 3,647
Installment purchases	9,639	1,909	5,586	5,962	3,447
Net pension liability	465,062	123,686	-	588,748	-
Net OPEB liability	1,760,477	-	241,984	1,518,493	-
Compensated absences	83,278	10,462	5,180	88,560	5,180
Total Governmental	\$ 2,328,072	\$ 140,651	\$ 256,233	\$ 2,212,490	\$ 12,274
Business-type activities:					
Net pension liability	\$ 9,262	\$ 2,307	-	\$ 11,569	-
Net OPEB liability	35,062	-	4,514	30,548	-
Compensated absences	1,904	265	142	2,027	142
Total Business-type	\$ 46,228	\$ 2,572	\$ 4,656	\$ 44,144	\$ 142

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

CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

17. Interfund Balances and Activity

Transfers to/from other funds for the year ended June 30, 2019, consist of the following (expressed in thousands):

	Amount
From the State Public School Fund to the School Nutrition Fund for administrative costs	\$ 3
From the General Fund to the School Nutrition Fund for uncollectible meal sales	258
From the General Fund to the School Nutrition Fund for salaries and benefits	43
	<u>\$ 304</u>

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	\$ 68,205
Less:	
Inventories	1,190
Stabilization by State Statute	37,745
Insurance Claims	<u>8,248</u>
Remaining Fund Balance	<u>\$ 21,022</u>

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	\$ 33,675
State Public School Fund	\$ 2,599
Capital Projects Fund	\$ 176,283
State Administered Federal Fund	\$ 2,585
Special Revenue Fund	\$ 229
Direct Federal Grants Fund	\$ 24

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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 SIX FISCAL YEARS***
(Amounts expressed in thousands)

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Board's proportion of the net pension liability (asset)	6.030%	5.978%	5.866%	5.679%	5.698%	5.666%
Board's proportionate share of the net pension liability (asset)	\$ 600,317	\$ 474,324	\$ 539,165	\$ 209,272	\$ 66,800	\$ 344,002
Board's covered payroll	\$ 813,559	\$ 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	73.78%	60.19%	71.71%	28.40%	9.60%	48.80%
Plan fiduciary net position as a percentage of the total pension liability	87.61%	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 SIX FISCAL YEARS***
(Amounts expressed in thousands)

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	105,271	\$ 87,246	\$ 78,355	\$ 68,385	\$ 66,636	\$ 60,166
Contributions in relation to the contractually required contribution	<u>105,271</u>	<u>87,246</u>	<u>78,355</u>	<u>68,385</u>	<u>66,636</u>	<u>60,166</u>
Contribution deficiency (excess)	<u>\$ -</u>					
 Board's covered payroll	 \$ 860,685	 \$ 813,559	 \$ 788,109	 \$ 751,856	 \$ 736,769	 \$ 695,981
 Contributions as a percentage of covered payroll	 12.23%	 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 THREE FISCAL YEARS*
(Amounts expressed in thousands)

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Board's proportion of the net OPEB liability (asset)	5.44%	5.48%	5.22%
Board's proportionate share of the net OPEB liability (asset)	\$ 1,549,041	\$ 1,795,539	\$ 2,272,413
Board's covered payroll	\$ 813,559	\$ 788,109	\$ 751,856
Board's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	190.40%	227.83%	302.24%
Plan fiduciary net position as a percentage of the total OPEB liability	4.40%	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
 RETIREE HEALTH BENEFIT FUND
 FOR THE LAST THREE FISCAL YEARS***
 (Amounts expressed in thousands)

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually required contribution	\$ 53,706	\$ 48,964	\$ 45,710
Contributions in relation to the contractually required contribution	<u>53,706</u>	<u>48,964</u>	<u>45,710</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Board's covered payroll	\$ 860,685	\$ 813,559	\$ 788,109
Contributions as a percentage of covered payroll	6.24%	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 THREE FISCAL YEARS*
(Amounts expressed in thousands)

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Board's proportion of the net OPEB asset (liability)	5.43%	5.37%	5.33%
Board's proportionate share of the net OPEB asset (liability)	\$ 1,651	\$ 3,284	\$ 3,307
Board's covered payroll	\$ 813,559	\$ 788,109	\$ 751,856
Board's proportionate share of the net OPEB asset (liability) as a percentage of its covered payroll	0.20%	0.42%	0.44%
Plan fiduciary net position as a percentage of the total OPEB asset	108.47%	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 THREE FISCAL YEARS***

(Amounts expressed in thousands)

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually required contribution	\$ 1,199	\$ 1,133	\$ 2,948
Contributions in relation to the contractually required contribution	<u>1,199</u>	<u>1,133</u>	<u>2,948</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Board's covered payroll	\$ 860,685	\$ 813,559	\$ 788,109
Contributions as a percentage of covered payroll	0.14%	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.

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**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, 2019**

(Amounts expressed in thousands)

	BUDGET	ACTUAL	VARIANCE FROM BUDGET
REVENUES			
Mecklenburg County:			
Appropriation	\$ 43,581	\$ 28,129	\$ (15,452)
Land Proceeds	3,127	3,127	-
Capital Improvement Fund	880,575	89,960	(790,615)
	<u>927,283</u>	<u>121,216</u>	<u>(806,067)</u>
State:			
School Bus	5,586	5,586	-
	<u>5,586</u>	<u>5,586</u>	<u>-</u>
Other:			
Sale of School Property	2,650	2,649	(1)
Insurance Proceeds on Property			
Damage and Loss	53	51	(2)
Interest	419	417	(2)
Other	429	425	(4)
	<u>3,551</u>	<u>3,542</u>	<u>(9)</u>
Total Revenues	<u>936,420</u>	<u>130,344</u>	<u>(806,076)</u>
EXPENDITURES			
Land and Buildings:			
Land:			
Purchase of New Sites	19,849	14,961	4,888
Buildings:			
General Contracts	170,450	156,436	14,014
Heating Contracts	5,091	3,658	1,433
Electrical Contracts	2,696	1,567	1,129
Plumbing Contracts	1,608	1,183	425
Architect Fees	48,813	24,265	24,548
Miscellaneous Contracts	649,415	55,145	594,270
	<u>878,073</u>	<u>242,254</u>	<u>635,819</u>
Improvements to Sites	11,790	8,543	3,247
Furniture, Fixtures and Equipment	22,069	7,558	14,511
Vehicles	5,769	14,578	(8,809)
Total Expenditures	<u>937,550</u>	<u>287,894</u>	<u>649,656</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(1,130)</u>	<u>(157,550)</u>	<u>(156,420)</u>
OTHER FINANCING SOURCES			
Appropriated Fund Balance	1,130	-	(1,130)
REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES (USES)	<u>\$ -</u>	<u>\$ (157,550)</u>	<u>\$ (157,550)</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, 2019

(Amounts expressed in thousands)

	SCHOOL NUTRITION PROGRAM			AFTER SCHOOL ENRICHMENT PROGRAM		
	BUDGET	ACTUAL	VARIANCE	BUDGET	ACTUAL	VARIANCE
OPERATING REVENUES						
Food Sales	\$ 11,551	\$ 11,277	\$ 274	\$ -	\$ -	\$ -
Participant Fees	-	-	-	13,963	13,158	(805)
Total Operating Revenues	11,551	11,277	274	13,963	13,158	(805)
OPERATING EXPENSES						
Food Costs	30,071	27,241	2,830	403	403	-
Salaries and Benefits	28,870	28,754	116	10,726	10,723	3
Other Operating Expenses	14,629	10,464	4,165	2,949	2,061	888
Total Operating Expenses	73,570	66,459	7,111	14,078	13,187	891
OPERATING INCOME (LOSS)	(62,019)	(55,182)	6,837	(115)	(29)	86
NON-OPERATING REVENUES:						
U.S. Government Subsidy	53,961	49,198	(4,763)	-	-	-
U.S. Government Commodities	4,570	4,570	-	-	-	-
Other	42	51	9	-	-	-
Interest Income	692	692	-	115	115	-
Total Non-Operating Revenues	59,265	54,511	(4,754)	115	115	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES BEFORE TRANSFER	(2,754)	(671)	2,083	-	86	86
OTHER FINANCING SOURCES:						
Appropriated Net Position	2,030	-	(2,030)	-	-	-
Capital Contributions	424	253	(171)	-	-	-
Transfer In	300	304	4	-	-	-
Total Other Financing Sources	2,754	557	(2,197)	-	-	-
Excess of revenues and other financing sources over (under) expenses	\$ -	(114)	\$ (114)	\$ -	86	\$ 86
Reconciliation of modified accrual to full accrual basis:						
Reconciling items:						
Depreciation		(1,506)			-	
Equipment purchases		533			-	
Decrease in net OPEB asset		-			-	
Decrease in net OPEB liability		3,289			1,225	
Increase in net pension liability		(1,681)			(626)	
Increase in deferred inflows		(2,203)			(820)	
Increase in deferred outflows		1,071			399	
Change in compensated absences payable		(133)			10	
Increase in inventories		55			-	
Change in net position (full accrual)		\$ (689)			\$ 274	

**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, 2019**

(Amounts expressed in thousands)

	BUDGET	ACTUAL	VARIANCE FROM BUDGET
REVENUES			
U.S. Government Agencies	\$ 107,874	\$ 82,984	\$ (24,890)
Total Revenues	<u>107,874</u>	<u>82,984</u>	<u>(24,890)</u>
EXPENDITURES			
Current Operating Expenditures:			
Instructional Programs:			
Regular	5,982	4,554	1,428
Special	84,379	68,867	15,512
School Leadership	54	54	-
School-Based Support	10,066	6,426	3,640
Total Instructional Programs	<u>100,481</u>	<u>79,901</u>	<u>20,580</u>
Support and Development	1,286	1,013	273
Special Population Support	2,720	2,166	554
Operational Support	72	44	28
Financial and Human Resources	168	147	21
Policy, Leadership and Public Relations	214	58	156
Ancillary Services	-	-	-
Total Current Operating Expenditures	<u>104,941</u>	<u>83,329</u>	<u>21,612</u>
Intergovernmental Expenditures:			
Other	2,933	2,240	693
Total Intergovernmental Expenditures	<u>2,933</u>	<u>2,240</u>	<u>693</u>
Total Expenditures	<u>107,874</u>	<u>85,569</u>	<u>22,305</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>\$ -</u>	<u>\$ (2,585)</u>	<u>\$ (2,585)</u>

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2019 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	100
Middle	28
High	29
PreK – 8	6
K – 8	6
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	22 student average
Grades 10-12	20 student average
Pupil Transportation data:	
Total number of buses	1,088
Total average number of students transported daily	92,563
Average miles traveled daily	127,497
Average number of routes	1,088
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 100 elementary schools, 28 middle schools, 29 high schools, six PreK-8 schools, six 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 six geographic learning 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 school choice concept with 11 magnet programs operating in 67 schools. Each program focuses on an area of special interest such as Visual and Performing Arts, STEM, World Languages and Language Immersion, IB, Montessori or Leadership. Selection is based on application, with more than 25,000 students attending magnet programs. The district also offers virtual and blended learning opportunities through the Charlotte Mecklenburg Virtual Academy and iMeck programs. In commitment to providing the most advanced experiences CMS has four middle and two early colleges in

A Profile of Charlotte-Mecklenburg Schools

its portfolio of school choice options allowing students the 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 to prepare students for college and careers. Students may earn college credits in general education or career-specific courses through a special agreement with Central Piedmont Community College. 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.

AFTER SCHOOL ENRICHMENT PROGRAM

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.

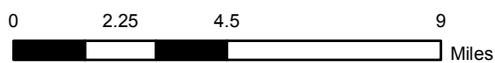
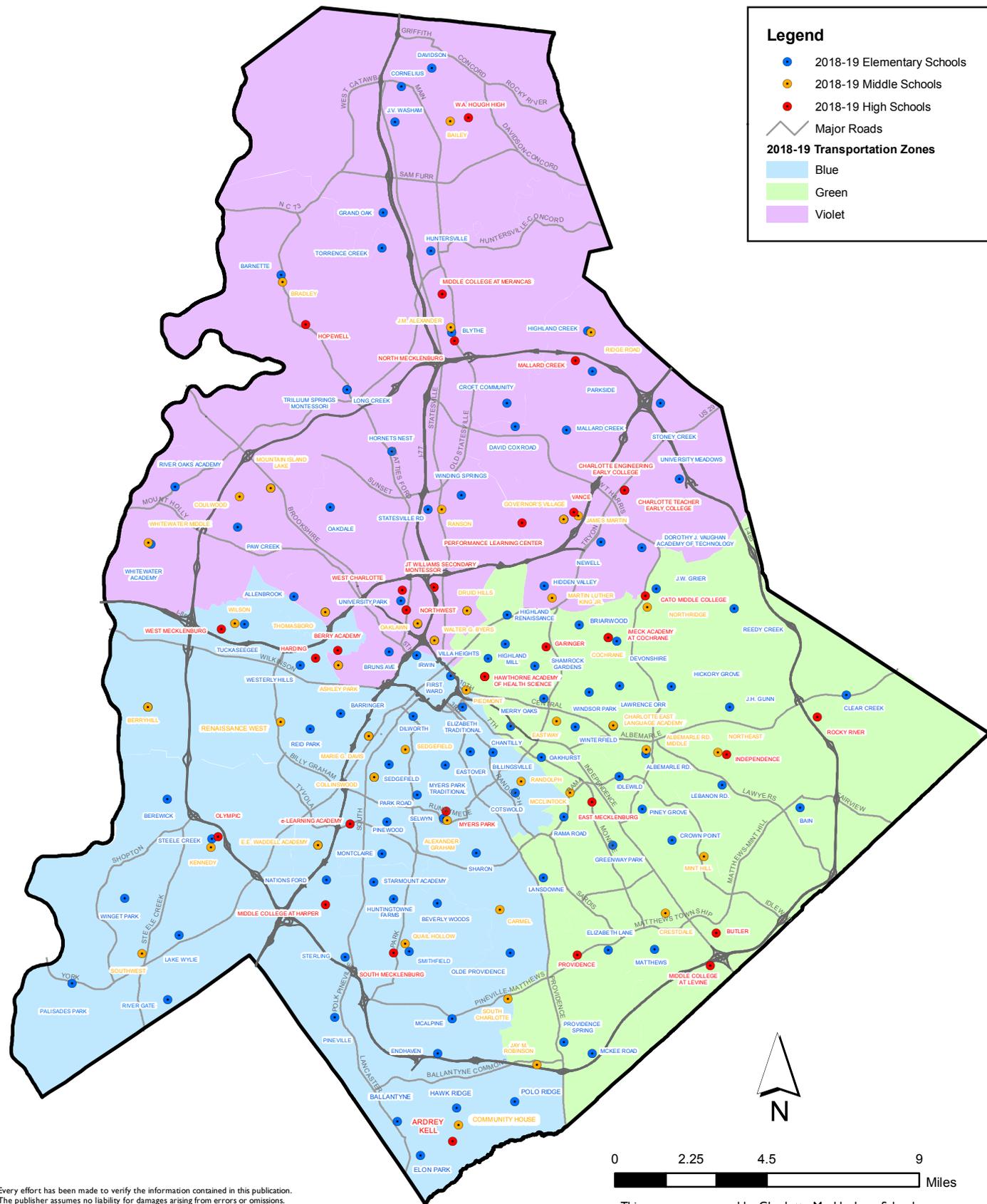
The programs offer students supervised recreational, snack and homework time and opportunities for cultural enrichment.

PRE-KINDERGARTEN PROGRAM

The pre-kindergarten program, initiated in 1996, serves more than 4,400 four-year-olds. This innovative and creative full-day program focusing on language development and literacy is designed for children who demonstrate educational and/or financial need. The program is funded by federal, state and local sources.

CHARLOTTE-MECKLENBURG SCHOOLS

2018-2019 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, April 2018.

**CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
COMPARATIVE AVERAGE DAILY MEMBERSHIP - SCHOOLS AND SPECIAL PROGRAMS
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

	ADM 2019	ADM 2018		ADM 2019	ADM 2018
PRESCHOOL PROGRAMS:					
Distributed Sites	4,403	3,988	Montclair	453	439
Total Preschool Programs	<u>4,403</u>	<u>3,988</u>	Myers Park Traditional	647	645
ELEMENTARY SCHOOLS:					
Albemarle Road	888	1,089	Nations Ford	840	818
Allenbrook	286	518	Newell	824	804
Bain	943	946	Oakdale	606	614
Ballantyne	909	872	Oakhurst STEAM	638	660
Barnette	763	776	Olde Providence	736	718
Barringer	511	527	Palisades Park	783	747
Berewick	881	782	Park Road Montessori	438	438
Beverly Woods	804	762	Parkside	352	376
Billingsville	445	317	Paw Creek	655	674
Blythe	1,018	1,138	Pineville	764	782
Briarwood	724	789	Pinewood	458	494
Bruns Avenue	387	694	Piney Grove	791	794
Chantilly Montessori	296	292	Polo Ridge	977	1,009
Charlotte East Language	393	-	Providence Spring	983	958
Clear Creek	529	523	Rama Road	536	579
Cornelius	659	631	Reedy Creek	807	812
Cotswold	496	772	Renaissance West STEAM	550	411
Croft Community	517	524	River Gate	801	789
Crown Point	589	654	River Oaks	553	592
David Cox Road	678	583	Sedgefield	318	328
Davidson	708	716	Selwyn	805	822
Devonshire	646	627	Shamrock Gardens	480	492
Dilworth	366	676	Sharon	913	862
Eastover	444	439	Smithfield	634	634
Elizabeth Lane	1,082	1,084	Starmount	501	424
Elizabeth Traditional	495	512	Statesville Road	577	577
Elon Park	1,090	1,142	Steele Creek	742	758
Endhaven	709	746	Sterling	670	623
First Ward	644	570	Stoney Creek	755	770
Governors Village STEM (Lower)	1,091	791	Torrence Creek	792	600
Grand Oak	584	598	Trillium Springs Montessori	153	135
Greenway Park	550	494	Tuckaseegee	701	713
Hawk Ridge	899	885	University Meadows	663	681
Hickory Grove	567	601	University Park Creative Arts	426	428
Hidden Valley	908	930	Vaughan Academy of Technology	414	366
Highland Creek	612	608	Villa Heights	102	-
Highland Mill Montessori	234	234	Westerly Hills	494	499
Highland Renaissance	403	435	Whitewater	787	769
Hornets Nest	635	696	Winding Springs	797	886
Huntersville	809	801	Windsor Park	600	719
Huntingtowne Farms	813	783	Winget Park	665	658
Idlewild	988	1,011	Winterfield	655	617
Irwin Academic Center	374	418	Total Elementary Schools	<u>65,341</u>	<u>65,563</u>
J.H. Gunn	742	775	PreK-8:		
J.V. Washam	1,126	1,100	Ashley Park	504	538
Joseph W. Grier	793	775	Berryhill	509	527
Lake Wylie	646	651	Druid Hills	438	491
Lansdowne	590	562	Mountain Island Lake	790	876
Lawrence Orr	710	694	Reid Park	421	728
Lebanon Road	728	766	Walter G. Byers	316	406
Long Creek	520	454	Total PreK-8 Schools	<u>2,978</u>	<u>3,566</u>
Mallard Creek	605	644			
Matthews	1,037	962			
McAlpine	525	537			
McKee Road	569	523			
Merry Oaks	547	620			

Source: Charlotte-Mecklenburg Schools Planning Services. Membership for the ninth month of the 2018-2019 school year.

**CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
COMPARATIVE AVERAGE DAILY MEMBERSHIP - SCHOOLS AND SPECIAL PROGRAMS
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

	ADM 2019	ADM 2018		ADM 2019	ADM 2018
K-8 SCHOOLS:					
Collinswood Language	786	793	Olympic	2,487	-
E.E. Waddell Language	1,363	1,367	Olympic, Biotech, Health & Public Admin	-	612
Governors Village STEM (Upper)	812	1,016	Olympic, Executive Leadership	-	389
Marie G. Davis	541	486	Olympic, Math, Engineering, Tech & Sci	-	588
Oaklawn Language	573	555	Olympic, Renaissance School of Arts	-	596
Thomasboro	622	677	Olympic, Tech Entre & Adv Manufacturing	-	348
Total K-8 Schools	<u>4,697</u>	<u>4,894</u>	Performance Learning Center	141	152
MIDDLE SCHOOLS:					
Albemarle Road	1,158	1,139	Phillip O. Berry Academy of Technology	1,648	1,596
Alexander Graham	1,419	1,460	Providence	1,909	2,007
Bailey	1,714	1,614	Rocky River	1,342	1,452
Carmel	1,179	1,079	South Mecklenburg	2,923	2,946
Community House	1,913	1,843	West Charlotte	1,234	1,274
Coulwood STEM	704	746	West Mecklenburg	1,217	1,483
Crestdale	899	778	William Amos Hough	2,475	2,582
Eastway	905	839	Zebulon B. Vance	<u>1,823</u>	<u>1,628</u>
Francis Bradley	1,075	1,041	Total High Schools	<u>40,839</u>	<u>41,364</u>
J.M. Alexander	946	891	6-12 SCHOOLS:		
James Martin	858	1,055	Cochrane Collegiate	861	903
Jay M. Robinson	1,250	1,185	Northwest School of the Arts	<u>1,078</u>	<u>1,044</u>
Kennedy	1,067	983	Total 6-12 Schools	<u>1,939</u>	<u>1,947</u>
Martin Luther King, Jr.	940	941	7-12 SCHOOLS:		
McClintock	1,174	1,091	J.T. Williams Secondary Montessori	<u>211</u>	<u>166</u>
Mint Hill	1,217	1,211	Total 7-12 Schools	<u>211</u>	<u>166</u>
Northeast	605	636	ALTERNATIVE SCHOOLS:		
Northridge	920	729	Lincoln Heights	77	86
Piedmont	1,073	1,054	Metro School	230	231
Quail Hollow	1,178	965	Turning Point	<u>273</u>	<u>305</u>
Randolph	1,163	1,114	Total Alternative Schools	<u>580</u>	<u>622</u>
Ranson	1,126	906	TOTAL AVERAGE DAILY		
Ridge Road	1,301	1,243	MEMBERSHIP (ADM)	<u>146,534</u>	<u>146,385</u>
Sedgefield	532	579	(Does not include Pre-K)		
South Charlotte	970	968	TOTAL AVERAGE DAILY		
Southwest	1,447	1,406	ATTENDANCE (ADA)	<u>137,205</u>	<u>137,531</u>
Whitewater	758	767	ADA/ADM		
Wilson STEM	458	-		<u>93.6%</u>	<u>93.9%</u>
Total Middle Schools	<u>29,949</u>	<u>28,263</u>			
HIGH SCHOOLS:					
Ardrey Kell	3,277	3,165			
Butler	1,985	2,058			
Cato Middle College	216	241			
Charlotte Engineering Early College	305	295			
Charlotte-Mecklenburg Virtual	291	253			
Charlotte Teacher Early College	100	46			
East Mecklenburg	1,995	1,985			
Garinger	1,583	1,617			
Harding University	1,435	1,452			
Harper Middle College	174	169			
Hawthorne Academy of Health Sciences	248	237			
Hopewell	1,674	1,561			
Independence	2,066	2,189			
Levine Middle College	227	238			
Mallard Creek	2,368	2,529			
Merancas Middle College	163	109			
Military and Global Leadership	181	154			
Myers Park	3,271	3,102			
North Mecklenburg	2,081	2,311			

Source: Charlotte-Mecklenburg Schools Planning Services. Membership for the ninth month of the 2018-2019 school year.

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

	Fiscal Year				
	<u>6/30/2010</u>	<u>6/30/2011</u>	<u>6/30/2012</u>	<u>6/30/2013</u>	<u>6/30/2014</u>
Governmental activities					
Net Investment in capital assets	\$ 1,842,883	\$ 1,809,700	\$ 1,768,069	\$ 1,794,832	\$ 1,830,641
Restricted	3,197	69,707	70,163	55,711	57,893
Unrestricted	<u>37,392</u>	<u>(13,592)</u>	<u>(8,893)</u>	<u>(31,498)</u>	<u>(37,853)</u>
Total governmental activities net position	<u>1,883,472</u>	<u>1,865,815</u>	<u>1,829,339</u>	<u>1,819,045</u>	<u>1,850,681</u>
Business-type activities					
Net Investment in capital assets	10,706	10,341	9,714	8,920	8,477
Unrestricted	<u>20,731</u>	<u>24,663</u>	<u>29,494</u>	<u>29,440</u>	<u>30,205</u>
Total business-type activities net position	<u>31,437</u>	<u>35,004</u>	<u>39,208</u>	<u>38,360</u>	<u>38,682</u>
Primary government					
Net Investment in capital assets	1,853,589	1,820,041	1,777,783	1,803,752	1,839,118
Restricted	3,197	69,707	70,163	55,711	57,893
Unrestricted	<u>58,123</u>	<u>11,071</u>	<u>20,601</u>	<u>(2,058)</u>	<u>(7,648)</u>
Total primary government net position	<u>\$ 1,914,909</u>	<u>\$ 1,900,819</u>	<u>\$ 1,868,547</u>	<u>\$ 1,857,405</u>	<u>\$ 1,889,363</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>6/30/2015</u>	<u>6/30/2016</u>	<u>6/30/2017</u>	<u>6/30/2018</u>	<u>6/30/2019</u>
Governmental activities					
Net Investment in capital assets	\$ 1,872,793	\$ 1,902,658	\$ 1,939,956	\$ 1,945,042	\$ 2,008,177
Restricted	62,675	76,176	93,170	70,122	79,251
Unrestricted	<u>(278,217)</u>	<u>(232,388)</u>	<u>(270,651)</u>	<u>(2,540,103)</u>	<u>(2,516,441)</u>
Total governmental activities net position	<u>1,657,251</u>	<u>1,746,446</u>	<u>1,762,475</u>	<u>(524,939)</u>	<u>(429,013)</u>
Business-type activities					
Net Investment in capital assets	9,016	8,766	7,750	7,163	6,181
Restricted				64	34
Unrestricted	<u>27,739</u>	<u>35,045</u>	<u>39,989</u>	<u>(2,281)</u>	<u>(1,684)</u>
Total business-type activities net position	<u>36,755</u>	<u>43,811</u>	<u>47,739</u>	<u>4,946</u>	<u>4,531</u>
Primary government					
Net Investment in capital assets	1,881,809	1,911,424	1,947,706	1,952,205	2,014,358
Restricted	62,675	76,176	93,170	73,406	79,285
Unrestricted	<u>(250,478)</u>	<u>(197,343)</u>	<u>(230,662)</u>	<u>(2,545,604)</u>	<u>(2,518,125)</u>
Total primary government net position	<u>\$ 1,694,006</u>	<u>\$ 1,790,257</u>	<u>\$ 1,810,214</u>	<u>\$ (519,993)</u>	<u>\$ (424,482)</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>6/30/2010</u>	<u>6/30/2011</u>	<u>6/30/2012</u>	<u>6/30/2013</u>	<u>6/30/2014</u>
Primary government:					
EXPENSES					
Governmental Activities:					
Instructional Programs					
Regular	\$ 575,153	\$ 583,406	\$ 626,593	\$ 674,212	\$ 658,029
Special	190,130	196,333	193,693	197,054	203,086
School Leadership	64,696	65,811	66,231	71,219	72,628
Co-Curricular	11,287	11,787	11,805	12,337	12,700
School-Based Support	54,238	51,180	49,344	56,544	58,368
Support and Development	5,728	5,662	5,304	5,526	5,515
Special Population Support	6,619	6,662	6,655	6,605	6,944
Technology Support	16,628	15,076	14,313	15,447	15,169
Operational Support	158,984	167,760	167,319	182,972	168,947
Financial and Human Resources	25,963	28,654	27,919	27,139	27,683
Accountability Services	6,568	7,791	7,480	6,854	6,164
System-Wide Pupil Support	3,054	2,950	3,227	3,248	3,145
Policy, Leadership and Public Relations	13,710	10,429	11,434	12,847	15,579
Community Services	1,527	1,017	986	1,142	1,262
Debt Service-Interest	238	9,485	3,709	653	582
Total Governmental Activities Expenses	<u>1,134,523</u>	<u>1,164,003</u>	<u>1,196,012</u>	<u>1,273,799</u>	<u>1,255,801</u>
Business Type Activities:					
After School Program	14,085	14,211	12,002	12,585	13,718
School Nutrition	59,035	60,862	60,496	66,554	65,004
Total Business Type Activities Expenses	<u>73,120</u>	<u>75,073</u>	<u>72,498</u>	<u>79,139</u>	<u>78,722</u>
TOTAL PRIMARY GOVERNMENT EXPENSES	<u>1,207,643</u>	<u>1,239,076</u>	<u>1,268,510</u>	<u>1,352,938</u>	<u>1,334,523</u>
REVENUES					
Governmental Activities:					
Charges for services:					
Instructional Programs - Regular	355	559	538	815	138
Community Services	1,682	1,797	1,975	969	1,032
Operating Grants and Contributions	145,049	161,565	121,101	120,477	99,024
Total Governmental Activities Revenues	<u>147,086</u>	<u>163,921</u>	<u>123,614</u>	<u>122,261</u>	<u>100,194</u>
Business Type Activities:					
Charges for services:					
After School Program	14,583	14,718	13,156	13,426	12,678
School Nutrition	20,301	18,216	16,627	16,035	15,204
Operating Grants and Contributions:					
After School Program	-	-	-	-	-
School Nutrition	40,583	44,225	46,072	48,207	49,737
Capital Grants and Contributions:					
School Nutrition	1,777	765	170	-	790
Total Business Type Activities Revenues	<u>77,244</u>	<u>77,924</u>	<u>76,025</u>	<u>77,668</u>	<u>78,409</u>
TOTAL PRIMARY GOVERNMENT REVENUES	<u>224,330</u>	<u>241,845</u>	<u>199,639</u>	<u>199,929</u>	<u>178,603</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>Functions/Programs</u>	<u>6/30/2015</u>	<u>6/30/2016</u>	<u>6/30/2017</u>	<u>6/30/2018</u>	<u>6/30/2019</u>
Primary government:					
EXPENSES					
Governmental Activities:					
Instructional Programs					
Regular	\$ 690,385	\$ 705,467	\$ 780,834	\$ 872,091	\$ 807,847
Special	215,586	217,382	241,720	260,169	248,223
School Leadership	62,045	71,223	79,038	76,909	72,733
Co-Curricular	12,663	13,100	13,329	14,061	13,752
School-Based Support	57,790	58,872	66,734	76,477	71,476
Support and Development	6,998	6,700	8,505	10,759	11,523
Special Population Support	6,770	6,911	7,881	8,124	7,917
Technology Support	16,209	14,498	15,319	17,002	13,293
Operational Support	163,761	173,325	187,220	209,706	202,800
Financial and Human Resources	32,305	26,077	31,124	29,753	29,968
Accountability Services	4,475	4,087	4,038	4,058	4,581
System-Wide Pupil Support	2,909	3,772	4,124	4,070	3,882
Policy, Leadership and Public Relations	15,535	15,183	16,784	17,864	16,143
Community Services	873	1,289	1,085	853	1,142
Debt Service-Interest	354	173	85	15	-
Total Governmental Activities Expenses	<u>1,288,658</u>	<u>1,318,059</u>	<u>1,457,820</u>	<u>1,601,911</u>	<u>1,505,280</u>
Business Type Activities:					
After School Program	12,106	12,239	13,477	14,993	12,999
School Nutrition	65,527	64,891	66,706	69,813	67,034
Total Business Type Activities Expenses	<u>77,633</u>	<u>77,130</u>	<u>80,183</u>	<u>84,806</u>	<u>80,033</u>
TOTAL PRIMARY GOVERNMENT EXPENSES	<u>1,366,291</u>	<u>1,395,189</u>	<u>1,538,003</u>	<u>1,686,717</u>	<u>1,585,313</u>
REVENUES					
Governmental Activities:					
Charges for services:					
Instructional Programs - Regular	960	558	537	1,004	478
Community Services	2,112	1,770	1,694	2,111	2,038
Operating Grants and Contributions	111,283	102,429	114,040	109,081	113,715
Total Governmental Activities Revenues	<u>114,355</u>	<u>104,757</u>	<u>116,271</u>	<u>112,196</u>	<u>116,231</u>
Business Type Activities:					
Charges for services:					
After School Program	13,141	13,295	13,972	13,854	13,158
School Nutrition	11,908	12,109	11,885	11,309	11,277
Operating Grants and Contributions:					
After School Program	-	-	-	-	-
School Nutrition	55,334	57,479	57,213	58,716	53,819
Capital Grants and Contributions:					
School Nutrition	214	743	420	709	253
Total Business Type Activities Revenues	<u>80,597</u>	<u>83,626</u>	<u>83,490</u>	<u>84,588</u>	<u>78,507</u>
TOTAL PRIMARY GOVERNMENT REVENUES	<u>194,952</u>	<u>188,383</u>	<u>199,761</u>	<u>196,784</u>	<u>194,738</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>6/30/2010</u>	<u>6/30/2011</u>	<u>6/30/2012</u>	<u>6/30/2013</u>	<u>6/30/2014</u>
Net (Expense)/Revenue					
Governmental Activities	(987,437)	(1,000,082)	(1,072,398)	(1,151,538)	(1,155,607)
Business Type Activities	4,124	2,851	3,527	(1,471)	(313)
TOTAL PRIMARY GOVERNMENT NET EXPENSES	<u>(983,313)</u>	<u>(997,231)</u>	<u>(1,068,871)</u>	<u>(1,153,009)</u>	<u>(1,155,920)</u>
General Revenues and Other Changes in Net Position					
Unrestricted State Appropriations-Operating	628,705	627,573	657,062	689,568	696,584
Unrestricted State Appropriations-Capital	4,267	8,859	3,028	12,409	4,691
Unrestricted Mecklenburg County Appropriations-Operating	311,067	302,250	327,880	337,433	356,545
Unrestricted Mecklenburg County Appropriations-Capital	76,519	13,019	19,832	68,748	95,420
Interest Income	1,500	911	676	405	403
Miscellaneous	24,716	30,330	27,961	33,198	34,117
Transfers	(517)	(517)	(517)	(517)	(517)
Total Governmental Activities	<u>1,046,257</u>	<u>982,425</u>	<u>1,035,922</u>	<u>1,141,244</u>	<u>1,187,243</u>
Business Type Activities					
Interest Income	269	199	160	106	118
Transfers	517	517	517	517	517
Total Business Type Activities Revenues	<u>786</u>	<u>716</u>	<u>677</u>	<u>623</u>	<u>635</u>
TOTAL PRIMARY GOVERNMENT	<u>1,047,043</u>	<u>983,141</u>	<u>1,036,599</u>	<u>1,141,867</u>	<u>1,187,878</u>
Change in Net Position					
Governmental Activities	58,820	(17,657)	(36,476)	(10,294)	31,636
Business Type Activities	4,910	3,567	4,204	(848)	322
TOTAL PRIMARY GOVERNMENT	<u>\$ 63,730</u>	<u>\$ (14,090)</u>	<u>\$ (32,272)</u>	<u>\$ (11,142)</u>	<u>\$ 31,958</u>

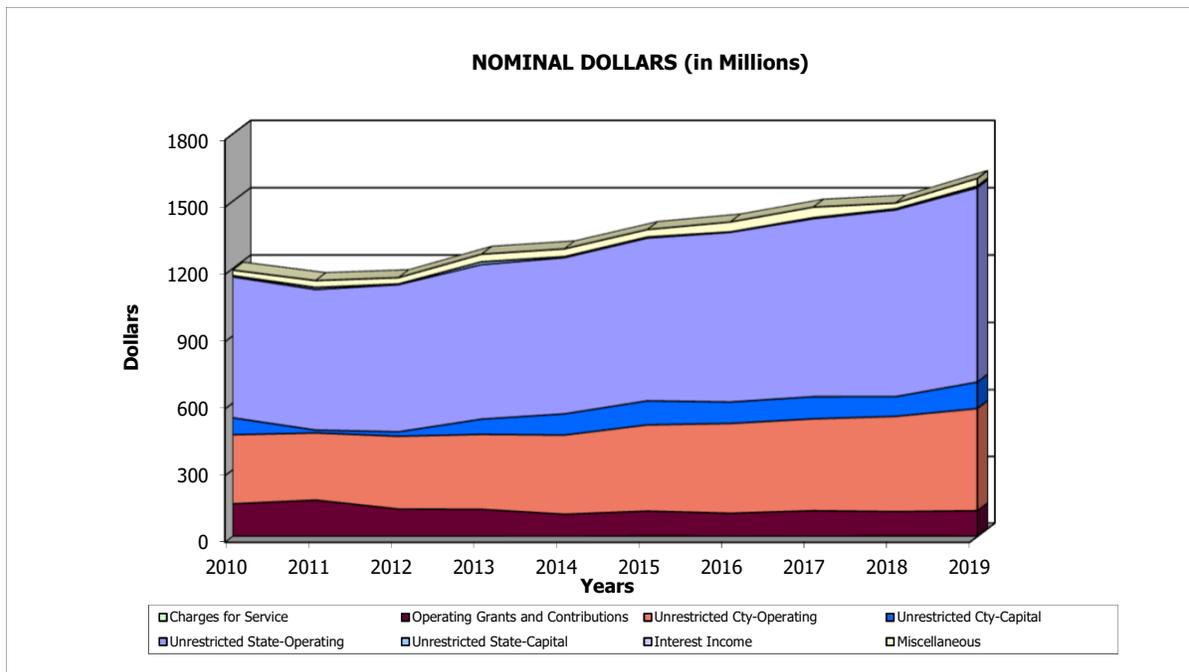
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**CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE LAST TEN FISCAL YEARS**

(Amounts expressed in thousands)

	<u>Fiscal Year</u>	<u>Fiscal Year</u>	<u>Fiscal Year</u>	<u>Fiscal Year</u>	<u>Fiscal Year</u>
	<u>6/30/2015</u>	<u>6/30/2016</u>	<u>6/30/2017</u>	<u>6/30/2018</u>	<u>6/30/2019</u>
Net (Expense)/Revenue					
Governmental Activities	(1,174,303)	(1,213,302)	(1,341,549)	(1,489,715)	(1,389,049)
Business Type Activities	2,964	6,496	3,307	(218)	(1,526)
TOTAL PRIMARY GOVERNMENT NET EXPENSES	<u>(1,171,339)</u>	<u>(1,206,806)</u>	<u>(1,338,242)</u>	<u>(1,489,933)</u>	<u>(1,390,575)</u>
General Revenues and Other Changes in Net Position					
Unrestricted State Appropriations-Operating	725,253	756,161	793,362	832,192	865,986
Unrestricted State Appropriations-Capital	4,835	1,654	3,805	3,911	5,586
Unrestricted Mecklenburg County Appropriations-Operating	388,237	404,286	413,494	428,745	459,865
Unrestricted Mecklenburg County Appropriations-Capital	108,232	96,538	99,414	88,356	118,089
Interest Income	491	789	1,278	1,653	2,494
Miscellaneous	32,637	43,416	46,486	24,856	33,259
Transfers	(517)	(347)	(261)	(234)	(304)
Total Governmental Activities	<u>1,259,168</u>	<u>1,302,497</u>	<u>1,357,578</u>	<u>1,379,479</u>	<u>1,484,975</u>
Business Type Activities					
Interest Income	134	213	360	550	807
Transfers	517	347	261	234	304
Total Business Type Activities Revenues	<u>651</u>	<u>560</u>	<u>621</u>	<u>784</u>	<u>1,111</u>
TOTAL PRIMARY GOVERNMENT	<u>1,259,819</u>	<u>1,303,057</u>	<u>1,358,199</u>	<u>1,380,263</u>	<u>1,486,086</u>
Change in Net Position					
Governmental Activities	84,865	89,195	16,029	(110,236)	95,926
Business Type Activities	3,615	7,056	3,928	566	(415)
TOTAL PRIMARY GOVERNMENT	<u>\$ 88,480</u>	<u>\$ 96,251</u>	<u>\$ 19,957</u>	<u>\$ (109,670)</u>	<u>\$ 95,511</u>

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



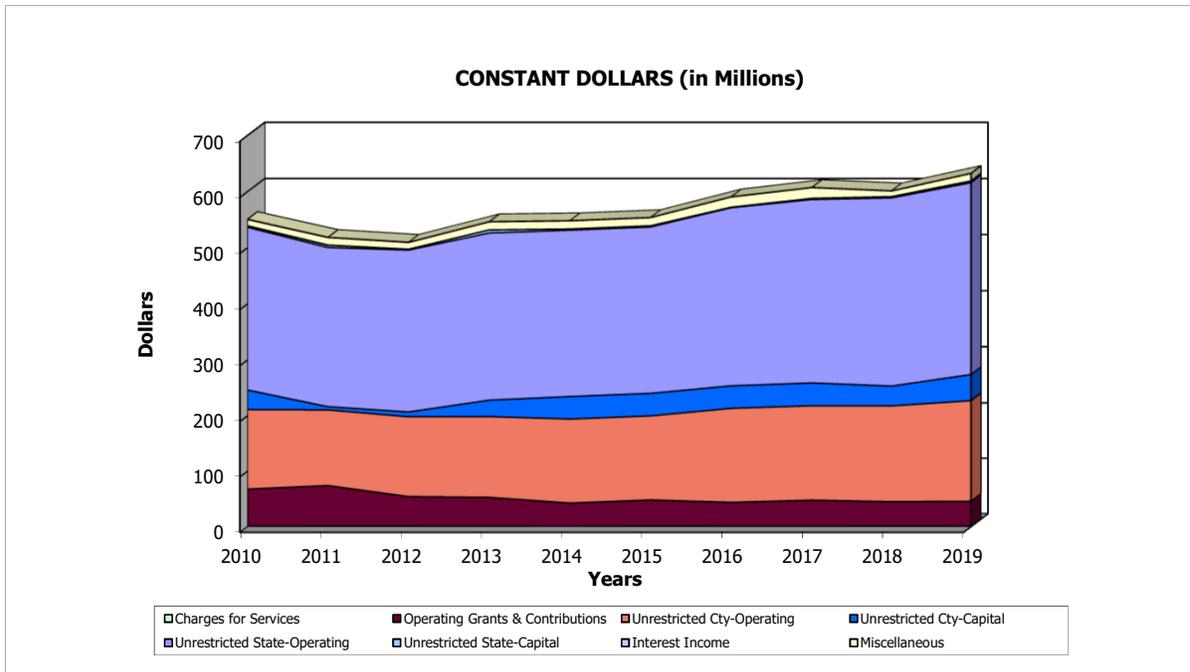
NOMINAL DOLLARS (in Millions)									
Year	Total	Program Revenue		General Revenues					
		Charges for Services	Operating Grants and Contributions	Unrestricted County Appropriations - Operating	Unrestricted County Appropriations - Capital	Unrestricted State Appropriations - Operating	Unrestricted State Appropriations - Capital	Interest Income	Miscellaneous
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
2019	1,601.6	2.5	113.7	459.9	118.1	866.0	5.6	2.5	33.3

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**



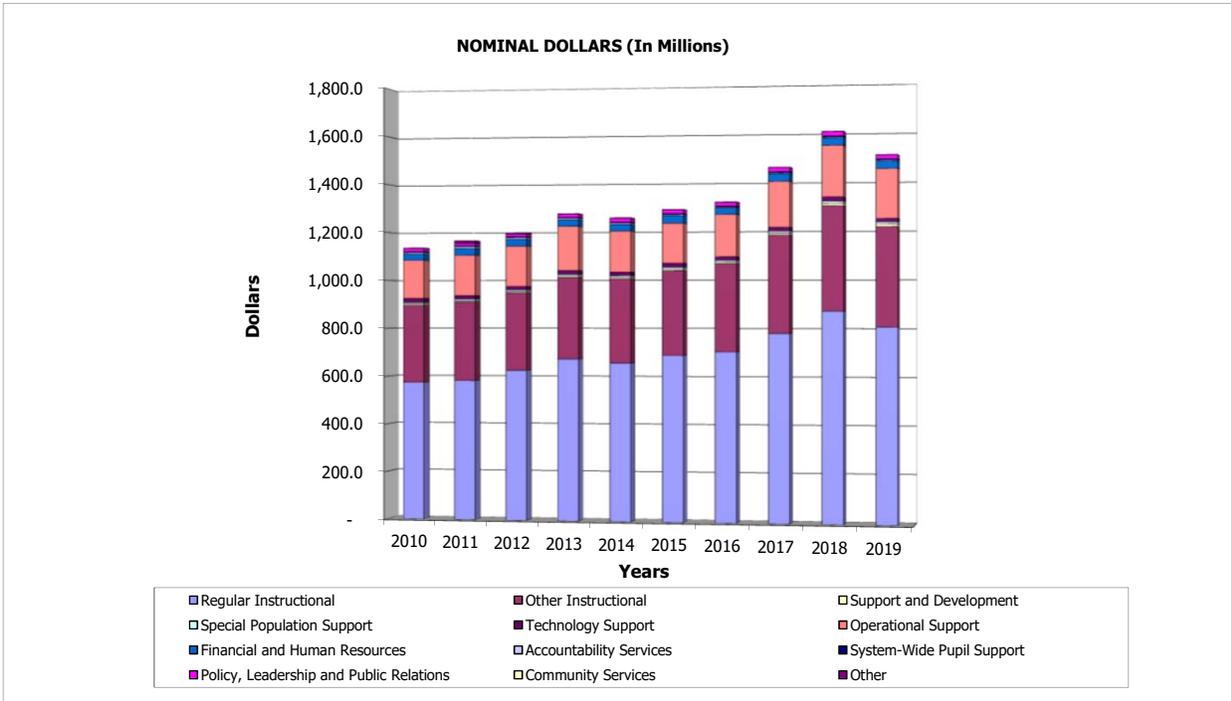
CONSTANT DOLLARS (in Millions)									
Year	Total	Program Revenue		General Revenues					
		Charges for Services	Operating Grants and Contributions	Unrestricted County Appropriations - Operating	Unrestricted County Appropriations - Capital	Unrestricted State Appropriations - Operating	Unrestricted State Appropriations - Capital	Interest Income	Miscellaneous
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
2019	632.4	1.0	44.9	181.6	46.6	341.9	2.2	1.0	13.2

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 EXPENSES BY SOURCE - GOVERNMENT-WIDE
FOR THE LAST TEN FISCAL YEARS**



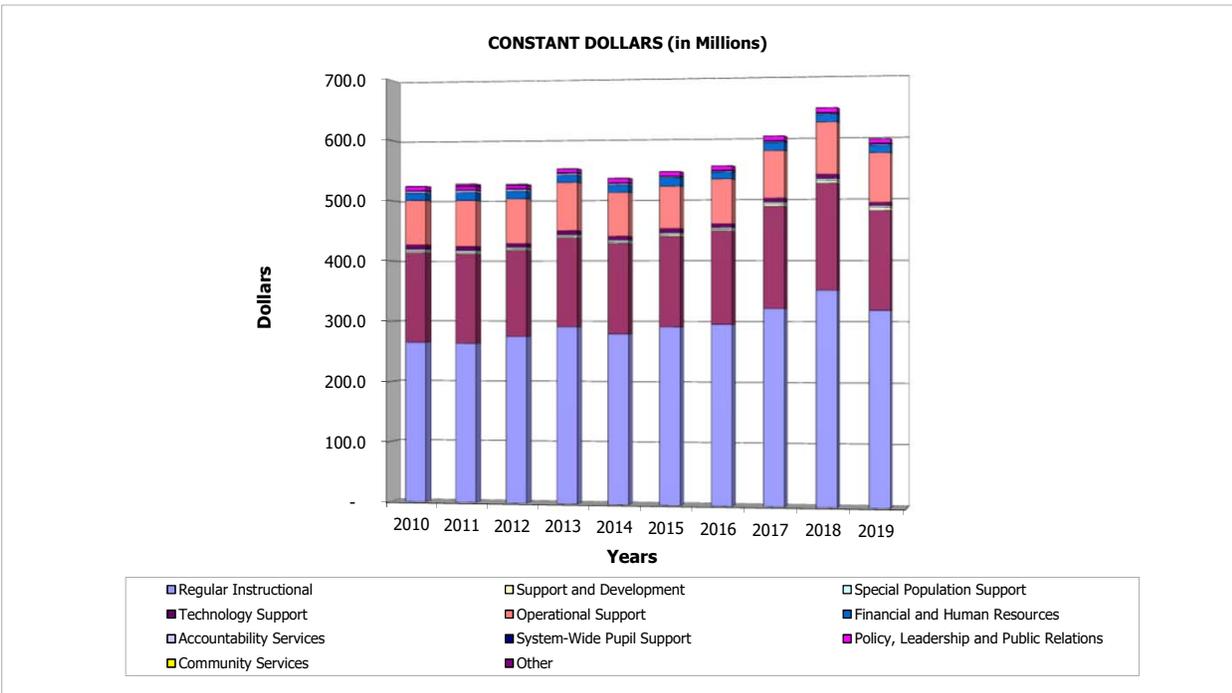
NOMINAL DOLLARS (in Millions)													
Year	Total	Regular Instructional	Other Instructional	Support and Development	Special Population Support	Technology Support	Operational Support	Financial and Human Resources	Accountability Services	System-Wide Pupil Support	Policy, Leadership and Public Relations	Community Services	Other
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	-
2019	1,505.3	807.9	406.2	11.5	7.9	13.3	202.8	30.0	4.6	3.9	16.1	1.1	-

NOTES:

Other Instructional Expenses 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 EXPENSES BY SOURCE - GOVERNMENT-WIDE
FOR THE LAST TEN FISCAL YEARS**



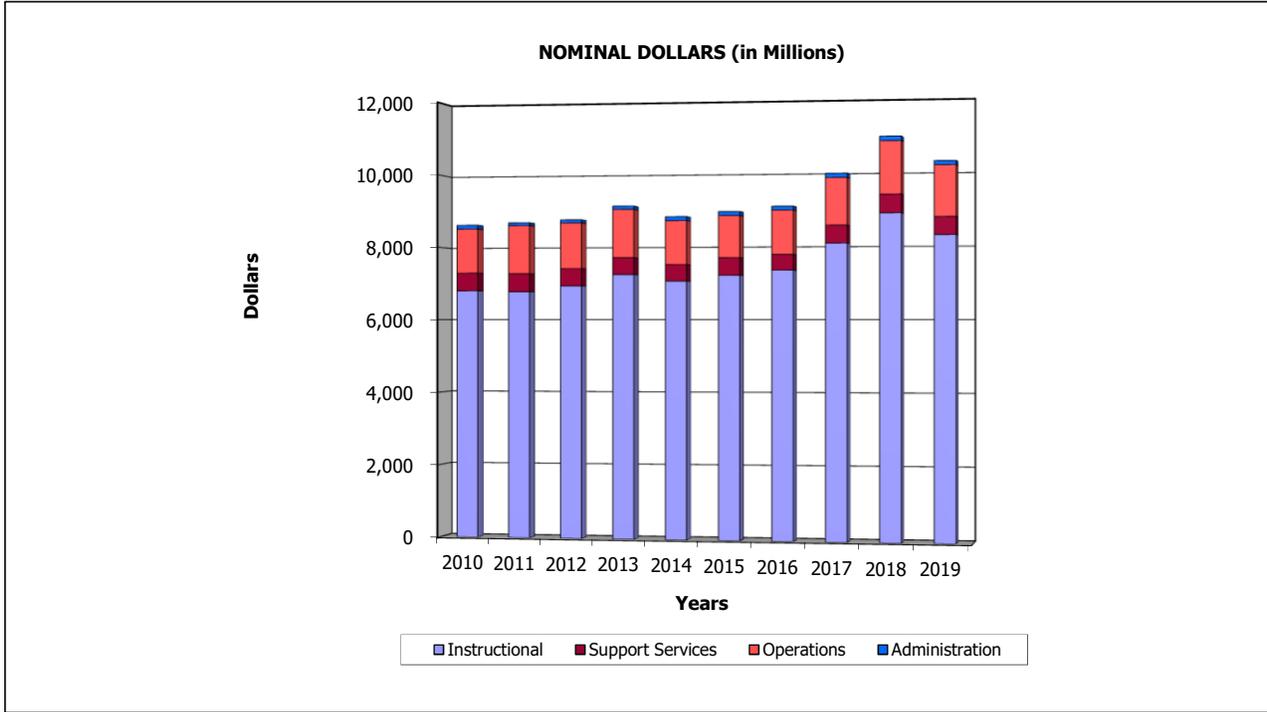
CONSTANT DOLLARS (in Millions)													
Year	Total	Regular Instructional	Other Instructional	Support and Development	Special Population Support	Technology Support	Operational Support	Financial and Human Resources	Accountability Services	System-Wide Pupil Support	Policy, Leadership and Public Relations	Community Services	Other
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	600.6	321.8	165.2	3.5	3.3	6.3	77.1	12.8	1.6	1.7	6.9	0.5	-
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	-
2019	594.3	319.0	160.4	4.5	3.1	5.3	80.1	11.8	1.8	1.5	6.4	0.4	-

NOTES:

Other Instructional Expenses 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 EXPENSES GOVERNMENT-WIDE PER PUPIL
FOR THE LAST TEN FISCAL YEARS**



NOMINAL DOLLARS (in Millions)						
Year	Ave. Daily Membership	Expenses				Total per Pupil
		Instructional	Support Services	Operations	Administration	
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
2019	146,534	8,285	486	1,392	110	10,273

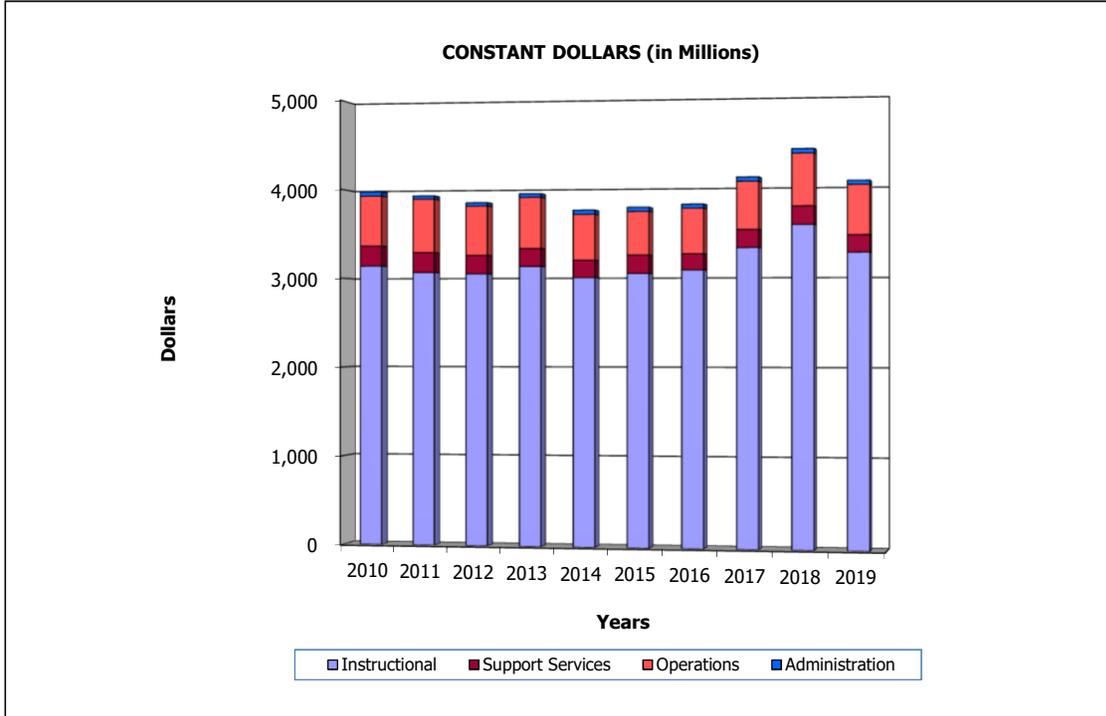
NOTES:

The above operational expenses 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 2018-2019 school year.

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

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



CONSTANT DOLLARS (in Millions)						
Year	Ave. Daily Membership	Expenses				Total per Pupil
		Instructional	Support Services	Operations	Administration	
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
2019	146,534	3,271	192	550	43	4,056

NOTES:

The above operational expenses 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>6/30/2010</u>	<u>6/30/2011</u>	<u>6/30/2012</u>	<u>6/30/2013</u>	<u>6/30/2014</u>
General Fund					
Nonspendable:					
Inventories	\$ 1,418	\$ 1,387	\$ 1,226	\$ 1,239	\$ 1,135
Restricted:					
Stabilization by State Statute	38,174	59,087	54,941	36,638	43,511
Insurance Claims	3,018	328	2,952	4,955	4,283
Assigned:					
Subsequent years expenditures	15,512	6,452	12,541	7,700	9,082
Unassigned:	<u>18,648</u>	<u>22,443</u>	<u>16,683</u>	<u>17,031</u>	<u>15,768</u>
Total General Fund	<u>\$ 76,770</u>	<u>\$ 89,697</u>	<u>\$ 88,343</u>	<u>\$ 67,563</u>	<u>\$ 73,779</u>
All other governmental funds					
Restricted:					
Stabilization by State Statute	\$ -	\$ 1,368	\$ 5,617	\$ 9,667	\$ 5,528
School Capital Projects	2,779	4,259	2,030	-	-
Individual Schools	4,336	4,665	4,623	4,451	4,570
Assigned:					
Special Revenue	<u>-</u>	<u>2,030</u>	<u>3,990</u>	<u>10,872</u>	<u>10,368</u>
Total all other governmental funds	<u>\$ 7,115</u>	<u>\$ 12,322</u>	<u>\$ 16,260</u>	<u>\$ 24,990</u>	<u>\$ 20,466</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>6/30/2015</u>	<u>6/30/2016</u>	<u>6/30/2017</u>	<u>6/30/2018</u>	<u>6/30/2019</u>
General Fund					
Nonspendable:					
Inventories	\$ 931	\$ 931	\$ 1,062	\$ 1,116	\$ 1,190
Restricted:					
Stabilization by State Statute	45,422	51,953	53,361	32,043	37,745
Insurance Claims	4,437	4,117	7,473	9,176	8,248
Assigned:					
Subsequent years expenditures	9,200	8,300	6,404	5,600	-
Unassigned:	<u>15,882</u>	<u>17,498</u>	<u>13,698</u>	<u>15,652</u>	<u>21,022</u>
Total General Fund	<u>\$ 75,872</u>	<u>\$ 82,799</u>	<u>\$ 81,998</u>	<u>\$ 63,587</u>	<u>\$ 68,205</u>
All other governmental funds					
Restricted:					
Stabilization by State Statute	\$ 8,092	\$ 15,052	\$ 27,095	\$ 23,353	\$ 25,492
School Capital Projects	-	-	-	-	-
Individual Schools	4,724	5,054	5,241	5,550	6,149
Assigned:					
Special Revenue	<u>10,859</u>	<u>4,883</u>	<u>240</u>	<u>6,644</u>	<u>3,922</u>
Total all other governmental funds	<u>\$ 23,675</u>	<u>\$ 24,989</u>	<u>\$ 32,576</u>	<u>\$ 35,547</u>	<u>\$ 35,563</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)

	2010	2011	2012	2013	2014
REVENUES:					
State of North Carolina	\$ 646,602	\$ 649,106	\$ 670,935	\$ 711,702	\$ 710,970
Mecklenburg County	387,586	315,269	347,712	406,181	451,965
U.S. Government Agencies	128,539	136,662	110,186	91,953	89,205
Other	36,519	34,417	33,197	35,489	35,824
Total Revenues	<u>1,199,246</u>	<u>1,135,454</u>	<u>1,162,030</u>	<u>1,245,325</u>	<u>1,287,964</u>
EXPENDITURES:					
Current Operating Expenditures:					
Instructional Programs	840,678	839,729	871,650	900,746	905,323
Support and Development	5,728	5,662	5,304	5,526	5,515
Special Population Support	6,619	6,662	6,655	6,605	6,944
Technology Support	16,299	14,746	13,925	15,075	14,797
Operational Support	159,768	162,650	168,067	173,460	170,086
Financial and Human Resources	23,246	24,472	25,649	25,583	25,226
Accountability Services	6,568	7,791	7,480	6,854	6,164
System-Wide Support	3,054	2,950	3,227	3,248	3,145
Policy, Leadership, and Public Relations	13,699	10,418	11,422	12,835	15,567
Ancillary Services	1,527	1,017	986	1,142	1,262
Debt Service					
Principal	5,306	9,757	4,003	13,400	5,659
Interest	238	171	165	137	107
Capital Outlay	78,614	23,064	19,832	89,871	99,109
Intergovernmental Expenditures	23,883	19,920	20,564	21,138	26,851
Total Expenditures	<u>1,185,227</u>	<u>1,129,009</u>	<u>1,158,929</u>	<u>1,275,620</u>	<u>1,285,755</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>14,019</u>	<u>6,445</u>	<u>3,101</u>	<u>(30,295)</u>	<u>2,209</u>
OTHER FINANCING SOURCES (USES)					
Capitalized Lease	2,797	12,206	-	18,762	-
Transfer In (Out)	(517)	(517)	(517)	(517)	(517)
Total Other Financing Sources (Uses)	<u>2,280</u>	<u>11,689</u>	<u>(517)</u>	<u>18,245</u>	<u>(517)</u>
CHANGE IN FUND BALANCE	16,299	18,134	2,584	(12,050)	1,692
FUND BALANCE--Beginning of Year	67,586	83,885	102,019	104,603	92,553
FUND BALANCE--End of Year	<u>\$ 83,885</u>	<u>\$ 102,019</u>	<u>\$ 104,603</u>	<u>\$ 92,553</u>	<u>\$ 94,245</u>
Debt Service as a percent of non-capital expenditures	0.50%	0.90%	0.37%	1.14%	0.49%

Additional fiscal years reported on next page.

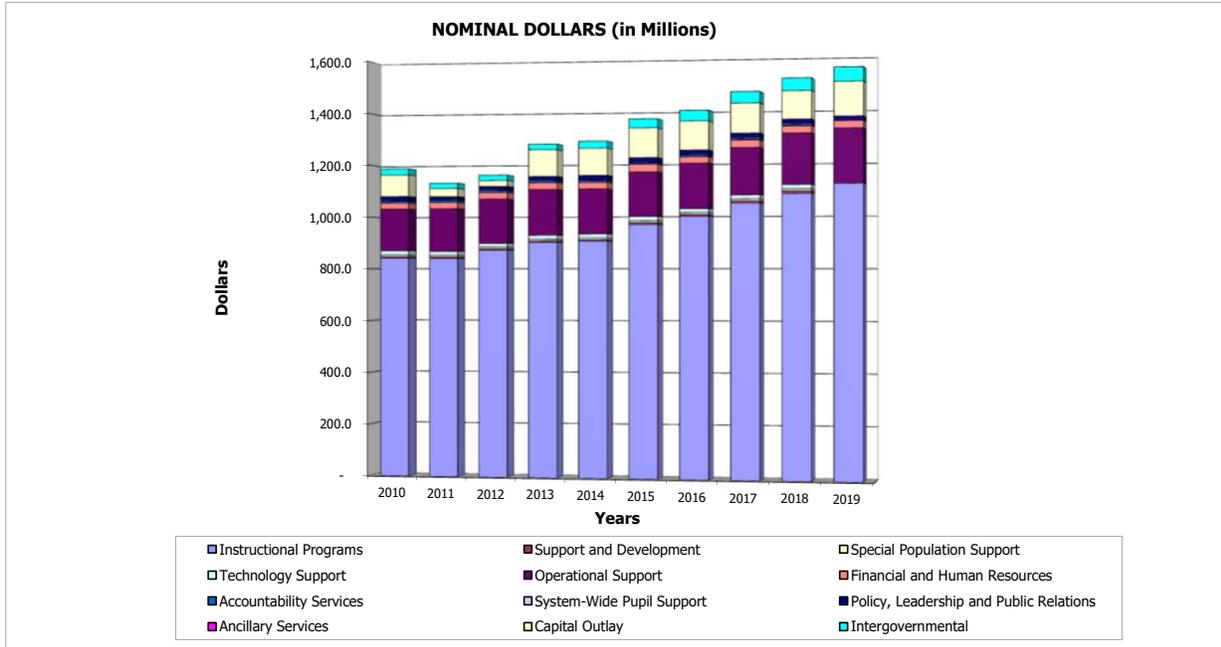
**CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
CHANGES IN FUND BALANCE, GOVERNMENTAL FUNDS
FOR THE LAST TEN FISCAL YEARS**

(Amounts expressed in thousands)

	2015	2016	2017	2018	2019
REVENUES:					
State of North Carolina	\$ 739,654	\$ 768,542	\$ 807,440	\$ 847,213	\$ 891,604
Mecklenburg County	496,469	500,824	512,908	517,101	577,954
U.S. Government Agencies	101,601	87,380	95,810	91,437	91,723
Other	36,904	46,620	50,406	38,987	39,815
Total Revenues	<u>1,374,628</u>	<u>1,403,366</u>	<u>1,466,564</u>	<u>1,494,738</u>	<u>1,601,096</u>
EXPENDITURES:					
Current Operating Expenditures:					
Instructional Programs	967,992	998,589	1,047,583	1,083,105	1,120,169
Support and Development	7,223	6,990	8,346	10,023	11,815
Special Population Support	7,028	7,248	7,726	7,493	8,135
Technology Support	16,162	14,515	14,738	15,853	13,124
Operational Support	167,735	170,831	177,510	192,956	206,215
Financial and Human Resources	29,626	24,385	28,347	26,815	28,067
Accountability Services	4,607	4,244	3,971	3,804	4,688
System-Wide Support	3,018	3,924	4,052	3,770	3,979
Policy, Leadership, and Public Relations	15,981	15,735	16,495	16,721	16,500
Ancillary Services	905	1,340	1,066	788	1,167
Debt Service					
Principal	5,619	2,300	4,403	4,478	5,586
Interest	80	56	35	15	-
Capital Outlay	107,981	108,536	109,777	102,806	124,591
Intergovernmental Expenditures	34,852	40,385	43,325	47,821	54,031
Total Expenditures	<u>1,368,809</u>	<u>1,399,078</u>	<u>1,467,374</u>	<u>1,516,448</u>	<u>1,598,067</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>5,819</u>	<u>4,288</u>	<u>(810)</u>	<u>(21,710)</u>	<u>3,029</u>
OTHER FINANCING SOURCES (USES)					
Capitalized Lease	-	4,300	7,857	6,504	1,909
Transfer In (Out)	(517)	(347)	(261)	(234)	(304)
Total Other Financing Sources (Uses)	<u>(517)</u>	<u>3,953</u>	<u>7,596</u>	<u>6,270</u>	<u>1,605</u>
CHANGE IN FUND BALANCE	5,302	8,241	6,786	(15,440)	4,634
FUND BALANCE--Beginning of Year	94,245	99,547	107,788	114,574	99,134
FUND BALANCE--End of Year	<u>\$ 99,547</u>	<u>\$ 107,788</u>	<u>\$ 114,574</u>	<u>\$ 99,134</u>	<u>\$ 103,768</u>
Debt Service as a percent of non-capital expenditures	0.45%	0.18%	0.33%	0.31%	0.38%

**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>						
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
2019	1,120.2	11.8	8.1	13.1	206.2	28.1
<i>Expressed in Constant Dollars</i>						
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
2019	442.3	4.6	3.2	5.2	81.4	11.1

NOTES:

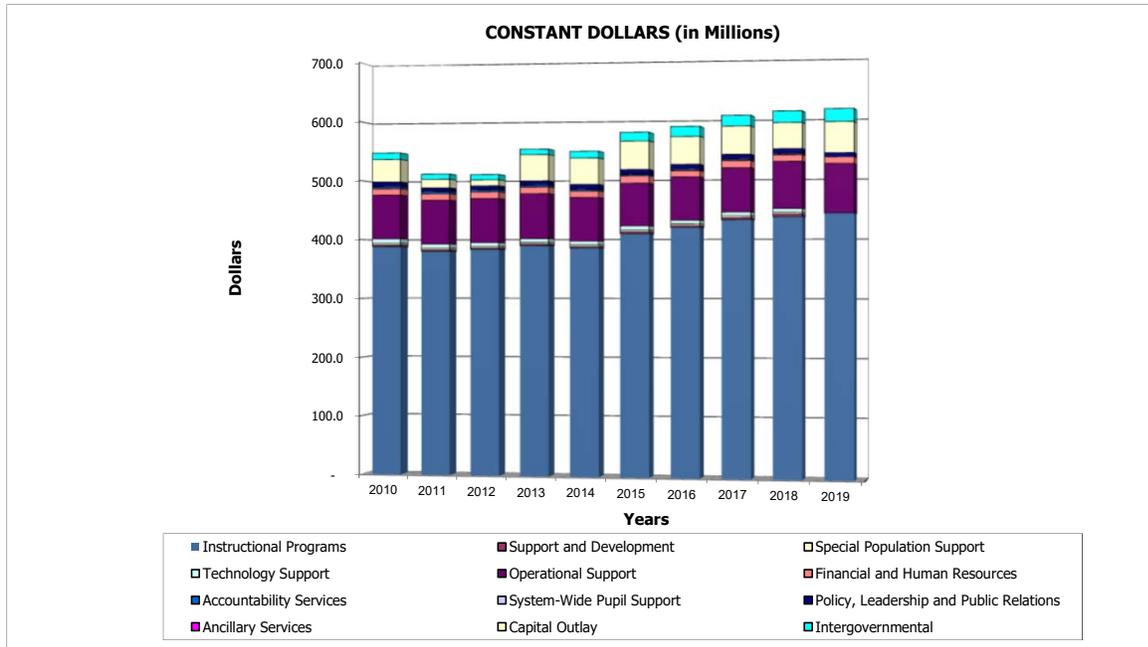
The Governmental fund type includes the general fund (local current expense fund), the state public school fund, the federal grants fund, capital outlay fund and the capital projects fund.

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)



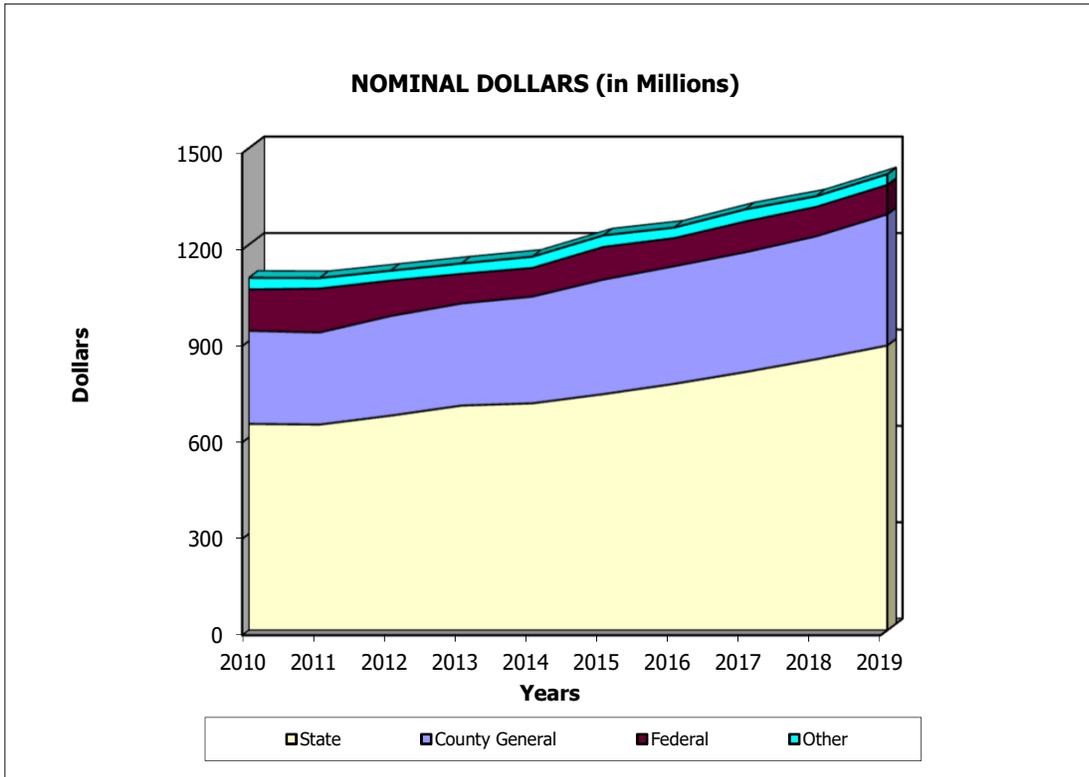
Accountability Services	System-Wide Pupil Support	Policy, Leadership and Public Relations	Ancillary Services	Capital Outlay	Intergovernmental	Totals
6.6	3.1	13.7	1.5	82.9	23.9	1,185.2
7.8	2.9	10.4	1.0	31.9	19.9	1,129.0
7.5	3.2	11.4	1.0	22.9	20.6	1,158.9
6.9	3.2	12.8	1.1	102.3	21.1	1,275.6
6.2	3.1	15.6	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
4.7	4.0	16.5	1.2	130.2	54.0	1,598.1
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
1.9	1.6	6.5	0.5	51.4	21.3	631.0

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**



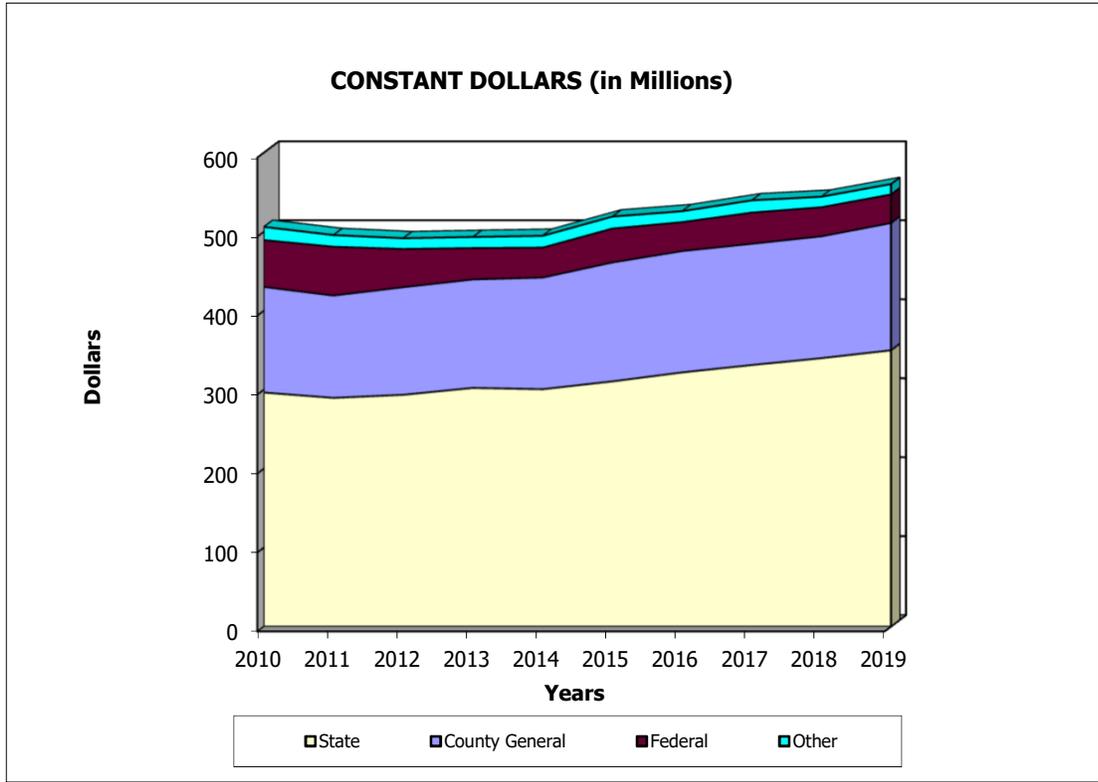
NOMINAL DOLLARS (in Millions)					
Year	Total	County			
		State	General	Federal	Other
2010	1,096.80	642.30	289.90	128.50	36.10
2011	1,095.90	640.20	286.50	136.70	32.50
2012	1,118.80	667.90	310.00	110.20	30.70
2013	1,141.42	699.29	317.85	91.95	32.33
2014	1,162.46	706.28	332.15	89.21	34.82
2015	1,228.65	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
2019	1,419.00	886.02	408.11	91.72	33.15

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**



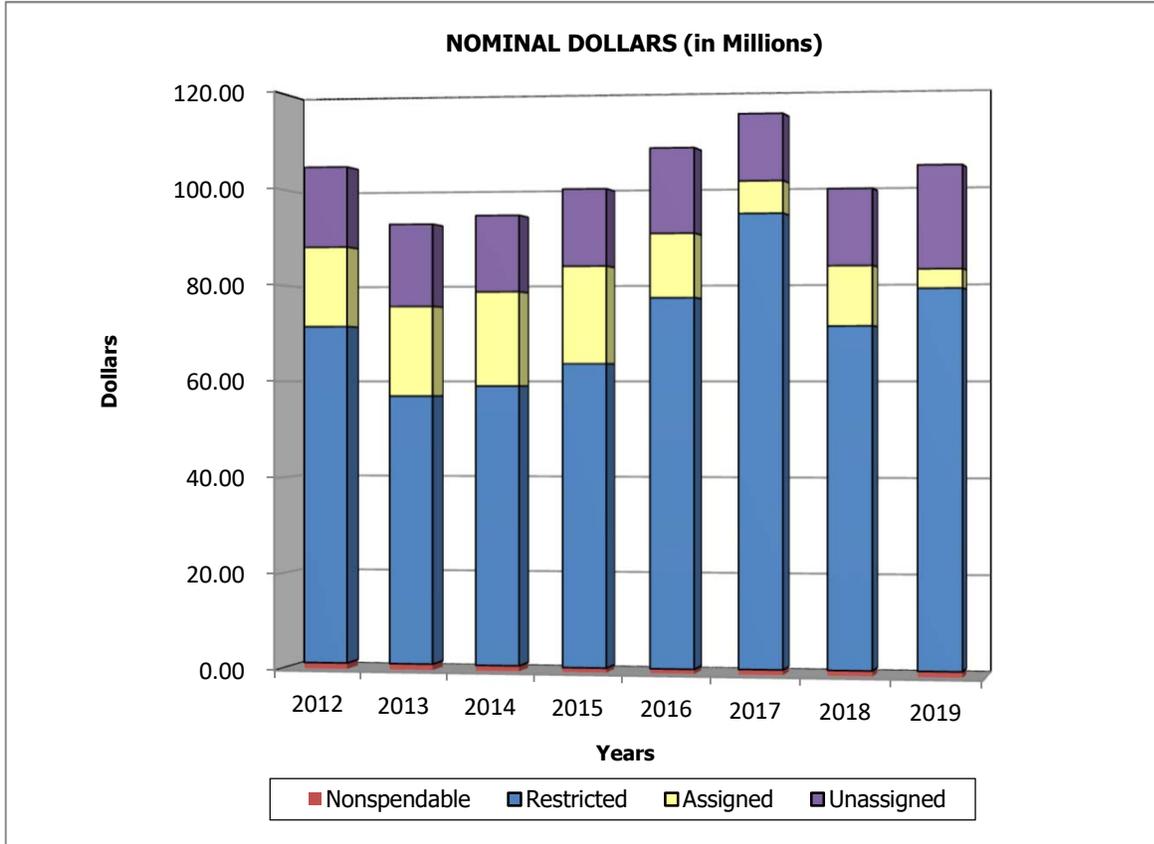
CONSTANT DOLLARS (in Millions)					
Year	Total	County			
		State	General	Federal	Other
2010	506.05	296.35	133.75	59.29	16.66
2011	495.68	289.56	129.59	61.83	14.70
2012	491.63	293.49	136.22	48.43	13.49
2013	493.29	302.21	137.37	39.74	13.97
2014	494.73	300.58	141.36	37.97	14.82
2015	519.12	310.47	150.62	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
2019	560.27	349.83	161.14	36.21	13.09

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**



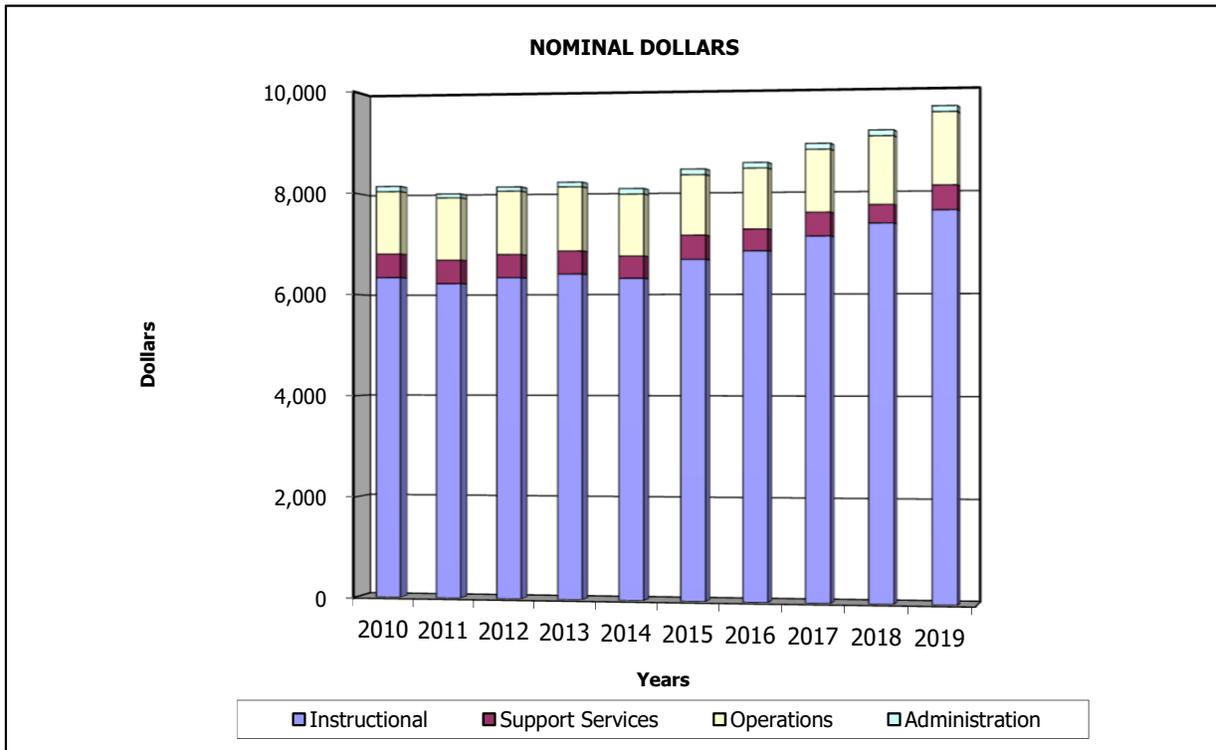
NOMINAL DOLLARS (in Millions)							
Year	Fund Balance				Total	Expenditures	Fund Balance as a % of Expenditures
	Nonspendable	Restricted	Assigned	Unassigned			
2012	1.23	70.16	16.53	16.68	104.60	1,158.93	9.0%
2013	1.24	55.71	18.57	17.03	92.55	1,275.62	7.3%
2014	1.14	57.89	19.45	15.77	94.25	1,285.76	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%
2019	1.19	77.64	3.92	21.02	103.77	1,598.07	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**



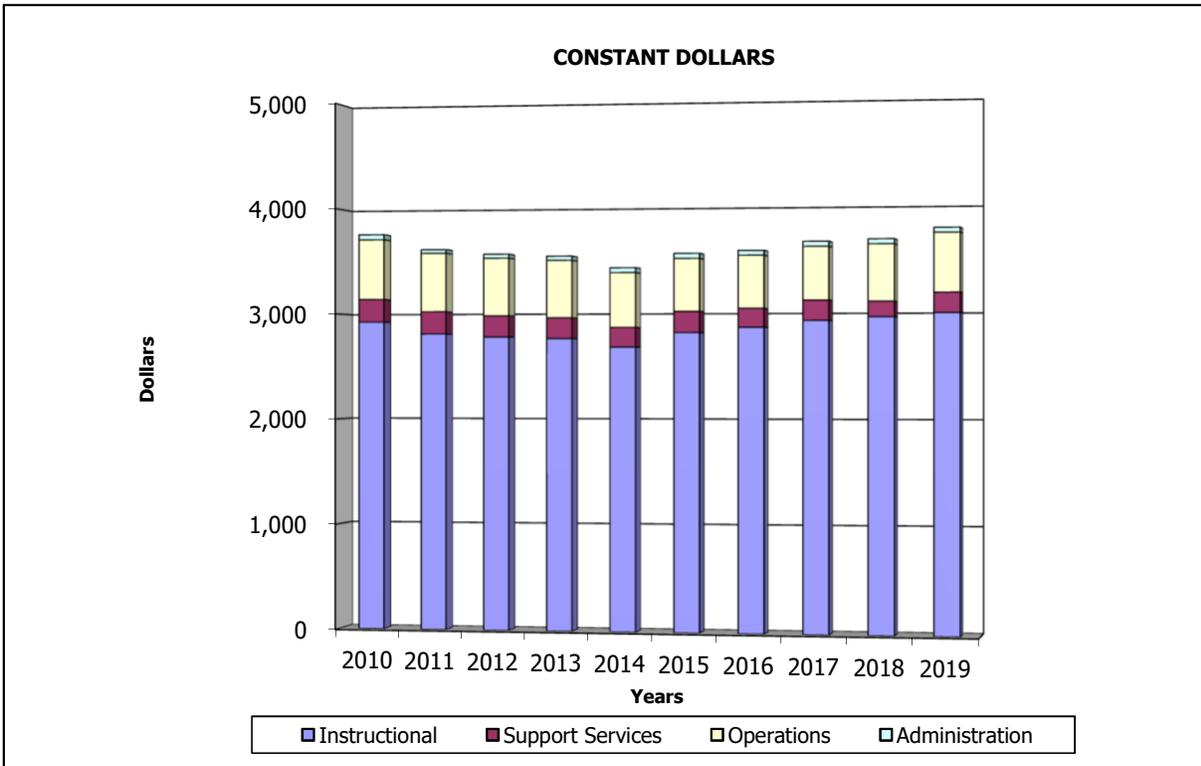
NOMINAL DOLLARS						
Year	Ave. Daily Membership	Expenditures				Total per Pupil
		Instructional	Support Services	Operations	Administration	
2010	131,709	6,334	467	1,234	104	8,139
2011	134,175	6,210	464	1,228	78	7,980
2012	136,747	6,323	455	1,245	84	8,107
2013	139,772	6,392	450	1,257	92	8,191
2014	142,466	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
2019	146,534	7,596	476	1,407	113	9,592

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**



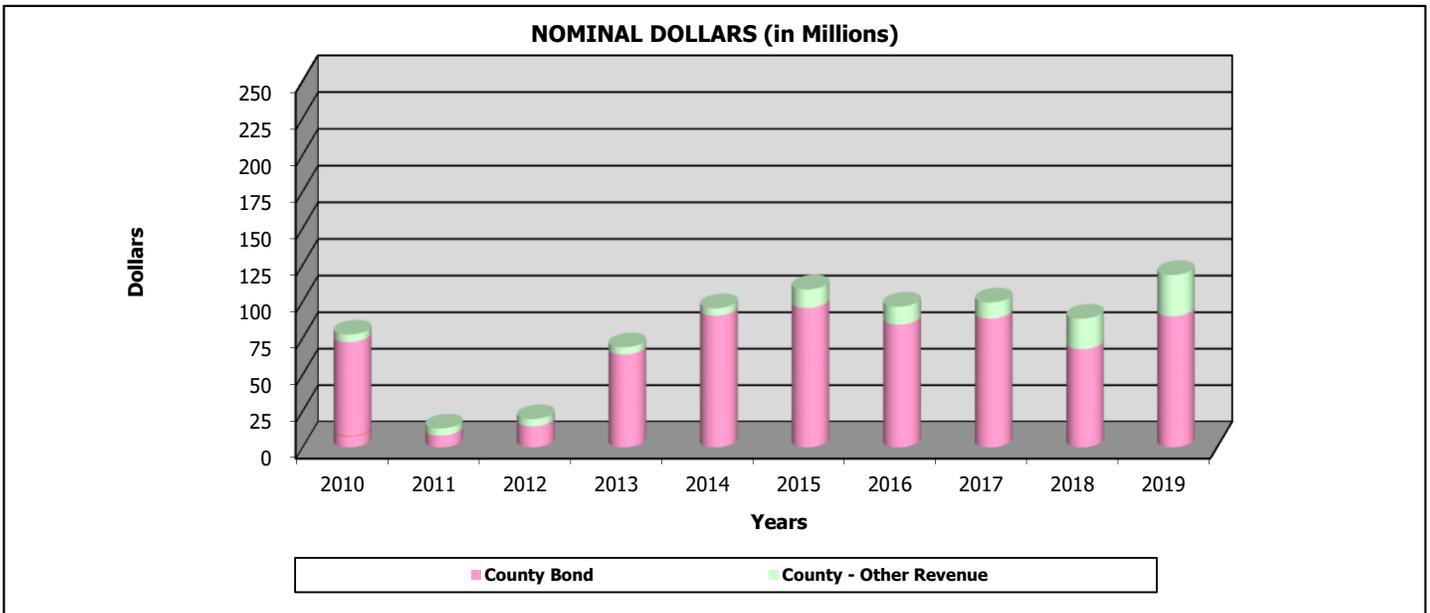
CONSTANT DOLLARS						
Year	Ave. Daily Membership	Expenditures				Total per Pupil
		Instructional	Support Services	Operations	Administration	
2010	131,709	2,922	215	569	48	3,754
2011	134,175	2,809	210	555	35	3,609
2012	136,747	2,778	200	547	37	3,562
2013	139,772	2,762	195	543	40	3,540
2014	142,466	2,682	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
2019	146,534	2,999	188	555	45	3,787

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 MECKLENBURG COUNTY CAPITAL PROJECT REVENUES
FOR THE LAST TEN FISCAL YEARS**



NOMINAL DOLLARS (in Millions)										
Year Ended June 30,	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
County Bond - Certificates of Participation	\$ 7.10	\$ 1.95	\$ 1.48	\$ 0.60	\$ 0.04	\$ -	\$ -	\$ -	\$ -	\$ -
1997 (\$415.0) Referendum	0.76	1.28	-	-	-	-	-	-	-	-
2000 (\$275.5) Referendum	0.44	-	0.86	0.91	-	-	-	-	-	-
2002 (\$224.0) Referendum	0.10	0.54	(0.09)	1.43	2.96	-	-	-	-	-
2007 (\$516.0) Referendum	62.92	4.29	12.16	60.85	87.28	83.67	21.49	9.76	1.06	1.62
2013 (\$301.7) Referendum	-	-	-	-	0.18	12.08	62.83	77.23	60.38	37.30
2017 (\$766.4) Referendum	-	-	-	-	-	-	-	1.46	6.05	51.04
County - Other Revenue	5.20	4.96	4.96	4.96	4.96	12.48	12.22	10.96	20.87	28.13
Total	\$ 76.52	\$ 13.02	\$ 19.37	\$ 68.75	\$ 95.42	\$ 108.23	\$ 96.54	\$ 99.41	\$ 88.36	\$ 118.09
CONSTANT DOLLARS (in Millions)										
County Bond - All Referendum Years	\$ 32.91	\$ 3.65	\$ 6.33	\$ 27.57	\$ 38.50	\$ 40.46	\$ 35.39	\$ 35.85	\$ 24.76	\$ 35.52
County - Other Revenue	2.40	2.24	2.20	2.14	2.11	5.27	5.13	4.52	8.41	11.11
Total	\$ 35.31	\$ 5.89	\$ 8.53	\$ 29.71	\$ 40.61	\$ 45.73	\$ 40.52	\$ 40.37	\$ 33.17	\$ 46.63

NOTES:

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>6/30/2010</u>	<u>6/30/2011</u>	<u>6/30/2012</u>	<u>6/30/2013</u>	<u>6/30/2014</u>
Co-curricular	\$ 348	\$ 189	\$ 11	\$ 137	\$ 546
Instructional	253,347	137,077	8,089	23,533	88,139
Operational	12,596	6,815	402	2,691	576
Policy Operational	54	29	2	8	-
Special Instruction	54	29	2	14	-
Technology	<u>1,608</u>	<u>870</u>	<u>51</u>	<u>2,244</u>	<u>907</u>
Total Capital Asset Additions	<u>\$ 268,007</u>	<u>\$ 145,009</u>	<u>\$ 8,557</u>	<u>\$ 28,627</u>	<u>\$ 90,168</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.

Continued on next page

**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>6/30/2015</u>	<u>6/30/2016</u>	<u>6/30/2017</u>	<u>6/30/2018</u>	<u>6/30/2019</u>
Co-curricular	\$ 20,775	\$ 2,431	\$ 272	\$ 1,017	\$ 1,934
Instructional	75,525	87,110	86,442	99,980	40,513
Operational	3,463	182	373	18,302	568
Policy Operational	4,125	411	610	30	523
Special Instruction	85	37	15	12	35
Technology	<u>2,964</u>	<u>1,464</u>	<u>497</u>	<u>2,576</u>	<u>1,401</u>
Total Capital Asset Additions	<u>\$ 106,937</u>	<u>\$ 91,635</u>	<u>\$ 88,209</u>	<u>\$ 121,917</u>	<u>\$ 44,974</u>

NOTES:

Functions Defined

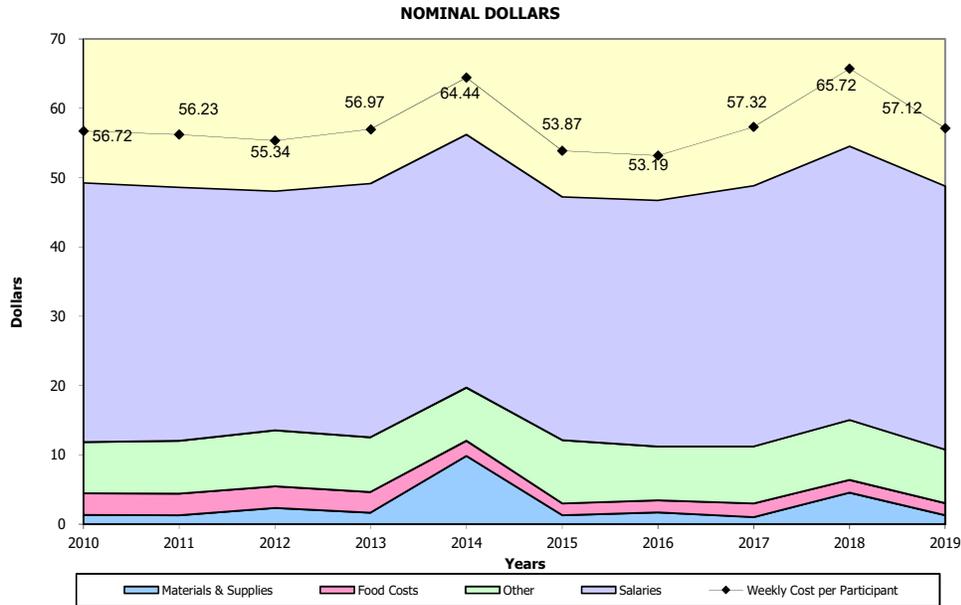
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Instructional	Equipment and facilities used to supplement the education process.
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Special Instructional	Programs that assist in the education and instruction of special needs children.
Technology	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 Costs	Salaries	Employee Benefits	Materials & Supplies	Other	
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
2019	96	5,822	1.78	37.99	8.36	1.28	7.71	57.12

CONSTANT DOLLARS								
Year	Number of Sites	Participants per Week	Expenditures					Total per Participant per Week
			Food Costs	Salaries	Employee Benefits	Materials & Supplies	Other	
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
2019	96	5,822	0.70	15.00	3.30	0.51	3.04	22.55

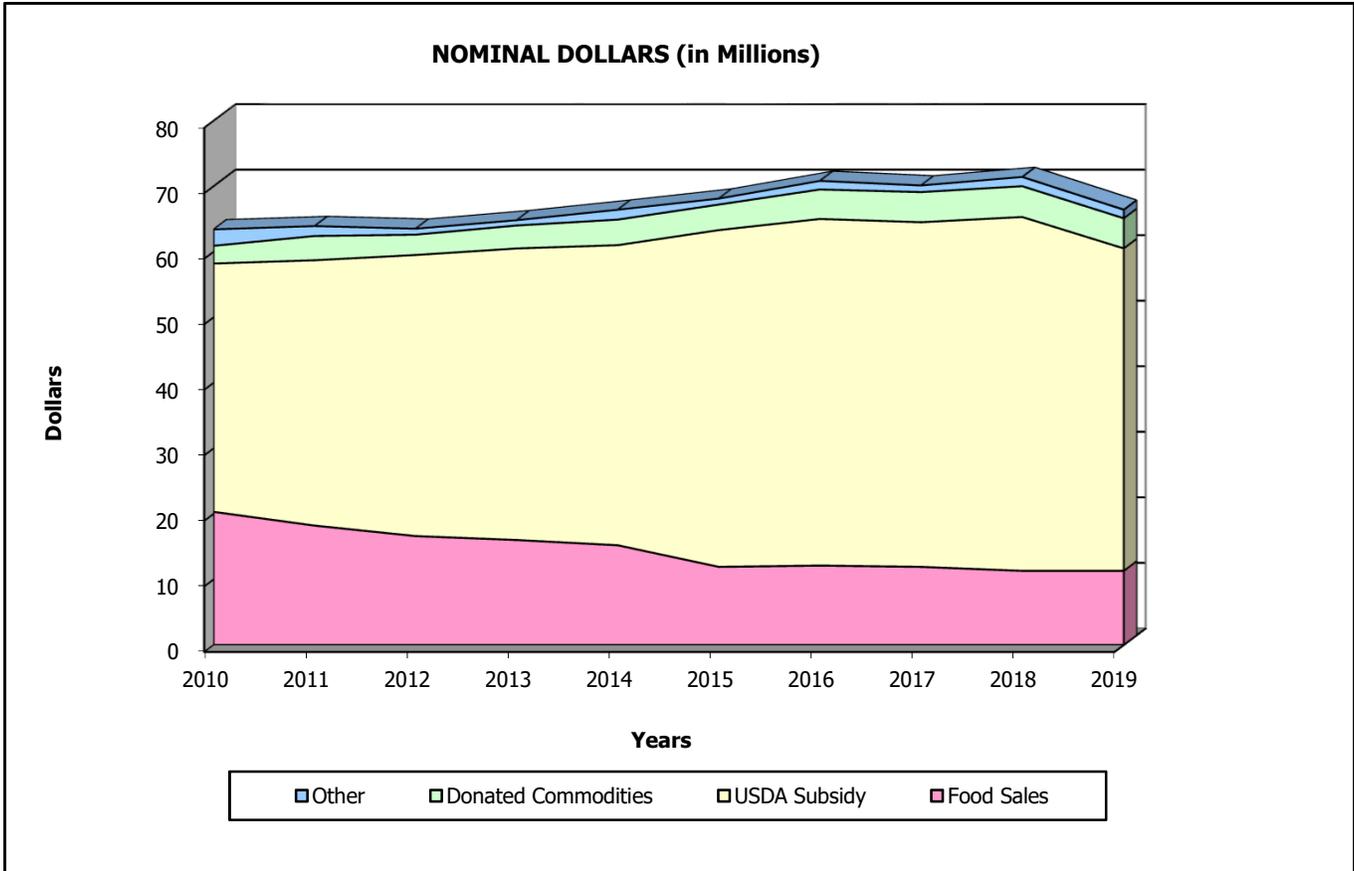
NOTE:

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Source: After School Enrichment Program

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

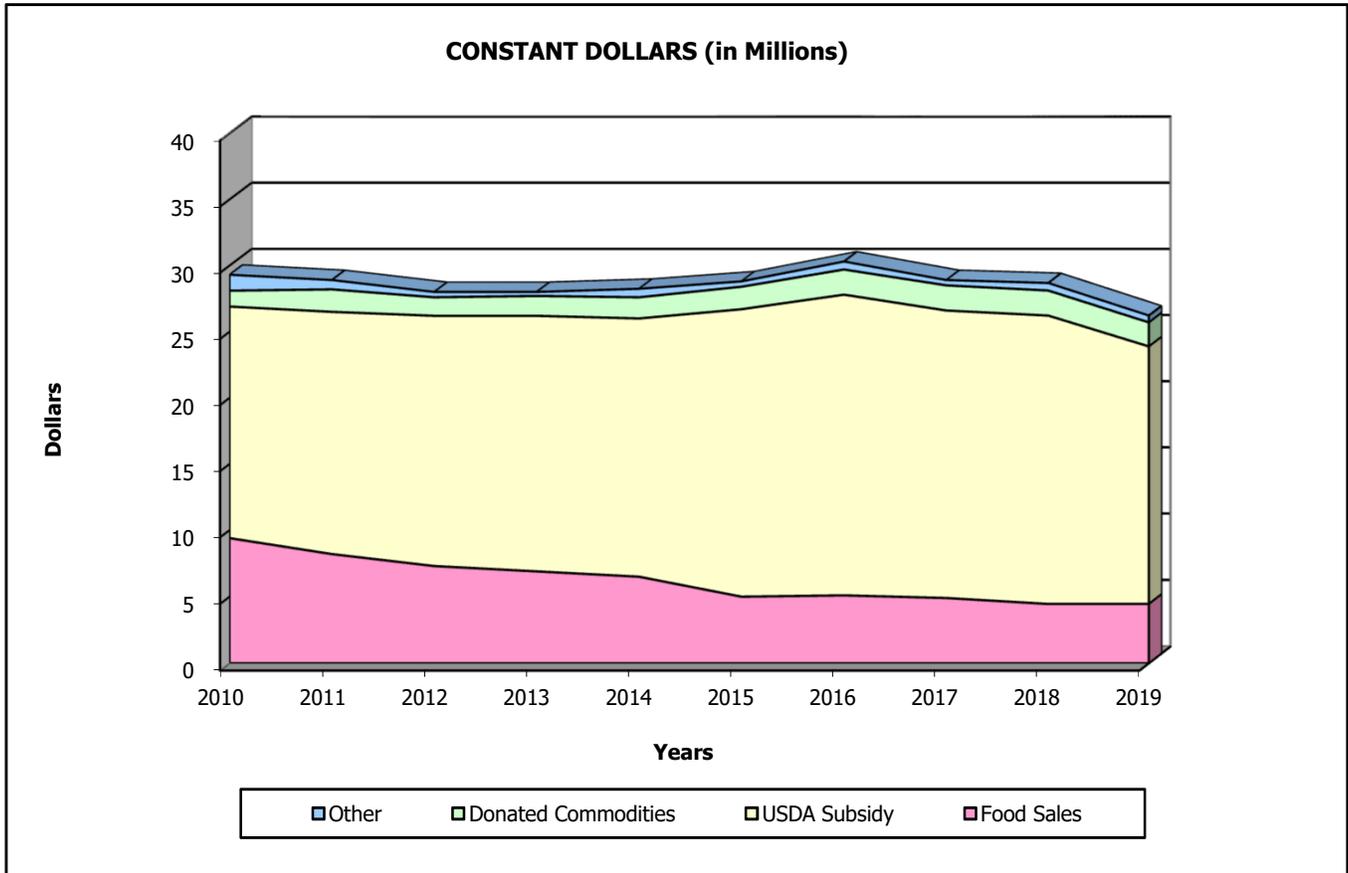


NOMINAL DOLLARS (in Millions)					
Year	Revenues				Total
	Food Sales	USDA Subsidy	Donated Commodities	Other	
2010	20.3	37.9	2.7	2.5	63.4
2011	18.2	40.5	3.7	1.5	63.9
2012	16.6	42.9	3.1	0.9	63.5
2013	16.0	44.5	3.5	0.8	64.8
2014	15.2	45.8	3.9	1.5	66.4
2015	11.9	51.4	3.9	0.9	68.1
2016	12.1	52.9	4.5	1.3	70.8
2017	11.9	52.6	4.6	1.0	70.1
2018	11.3	54.0	4.7	1.4	71.4
2019	11.3	49.2	4.6	1.3	66.4

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 SCHOOL NUTRITION PROGRAM REVENUES
 FOR THE LAST TEN FISCAL YEARS**

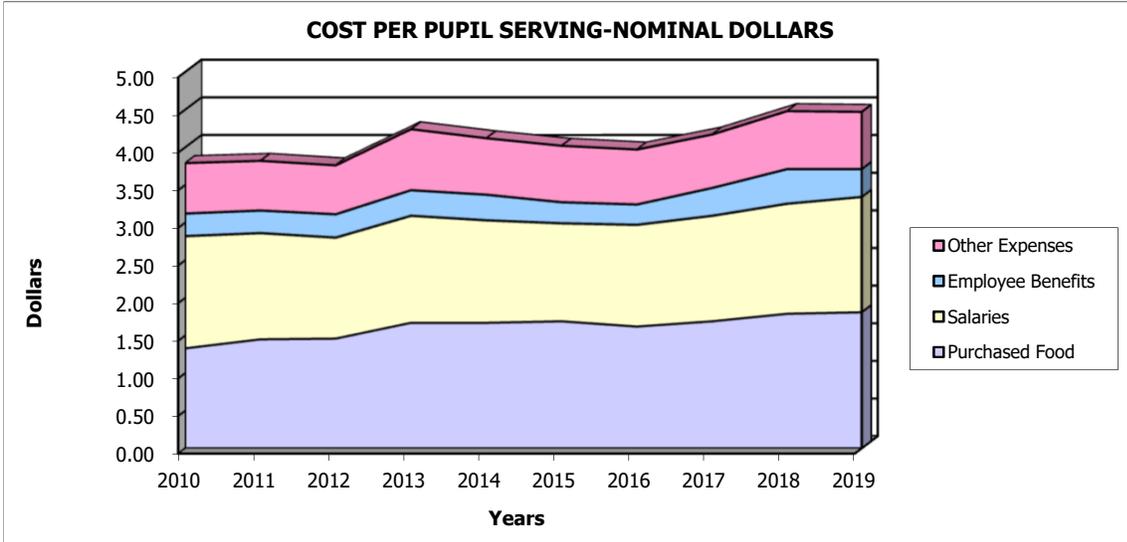


CONSTANT DOLLARS (in Millions)					
Year	Revenues				Total
	Food Sales	USDA Subsidy	Donated Commodities	Other	
2010	9.4	17.5	1.2	1.2	29.3
2011	8.2	18.3	1.7	0.7	28.9
2012	7.3	18.9	1.4	0.4	28.0
2013	6.9	19.3	1.5	0.3	28.0
2014	6.5	19.5	1.6	0.6	28.2
2015	5.0	21.7	1.7	0.4	28.8
2016	5.1	22.7	1.9	0.6	30.3
2017	4.9	21.7	1.9	0.4	28.9
2018	4.5	21.8	1.9	0.6	28.8
2019	4.5	19.4	1.8	0.5	26.2

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
SCHOOL 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
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
2019	87,131	1.81	1.53	0.37	0.76	4.47

CONSTANT DOLLARS						
Year	Daily Avg. Served	Purchased Food	Salaries	Employee Benefits	Other Expenses	Total Per Pupil Served
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
2019	87,131	0.72	0.60	0.14	0.30	1.76

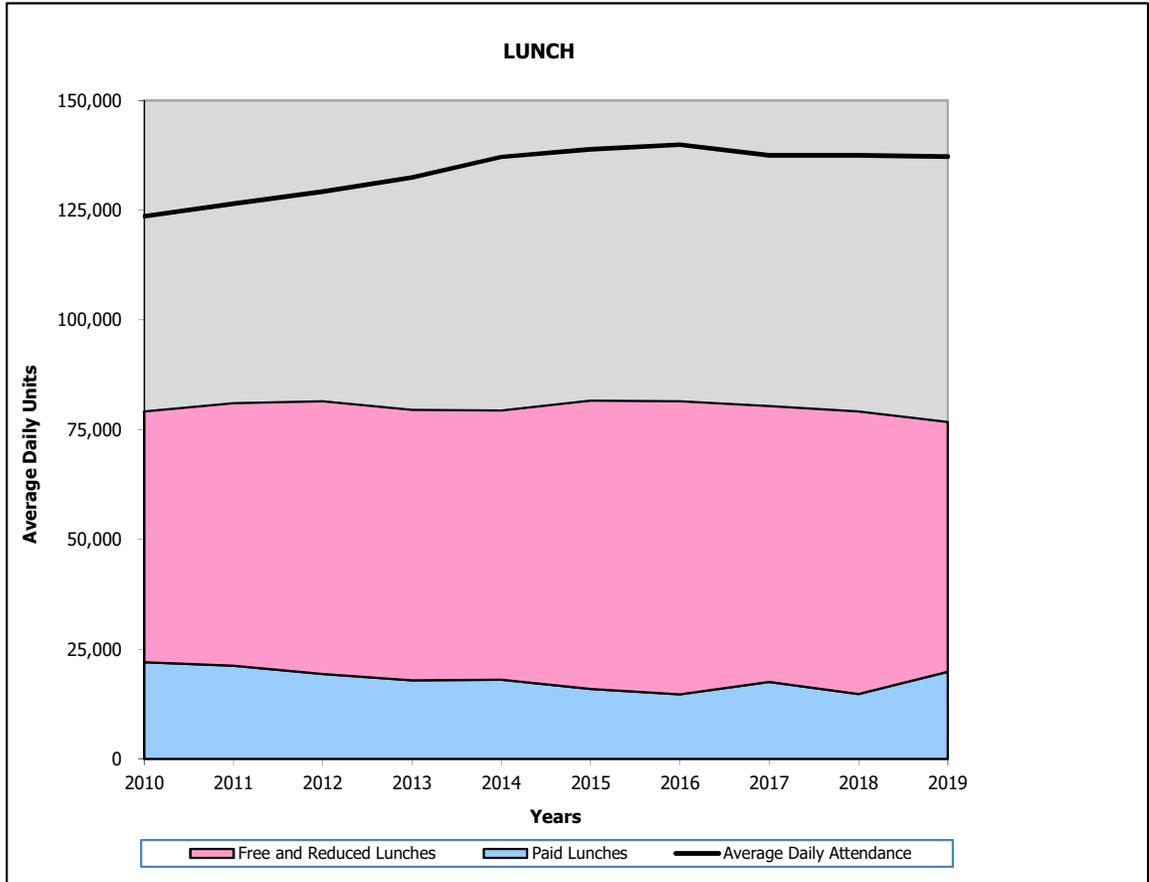
NOTES:

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: School Nutrition Department

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

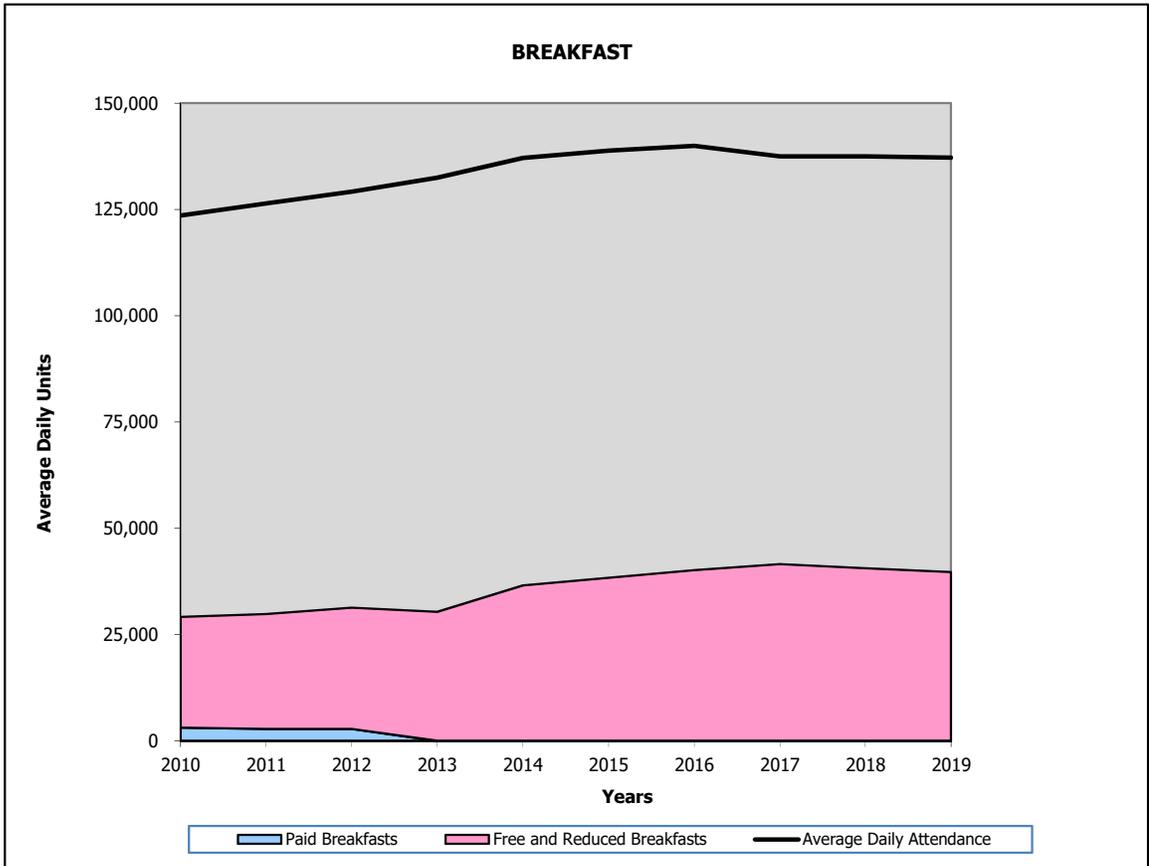


LUNCH									
Year	Average Daily Servings						Average Daily		
	Paid	%	Free	%	Reduced	%	Total	Attendance	Percent Served
2010	22,045	27.9	50,351	63.6	6,762	8.5	79,158	123,606	64.0
2011	21,252	26.2	54,386	67.1	5,403	6.7	81,041	126,450	64.1
2012	19,360	23.8	56,502	69.3	5,597	6.9	81,459	129,234	63.0
2013	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	58.5
2019	19,850	25.9	54,420	70.8	2,500	3.3	76,770	137,205	56.0

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

Source: School Nutrition Department

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



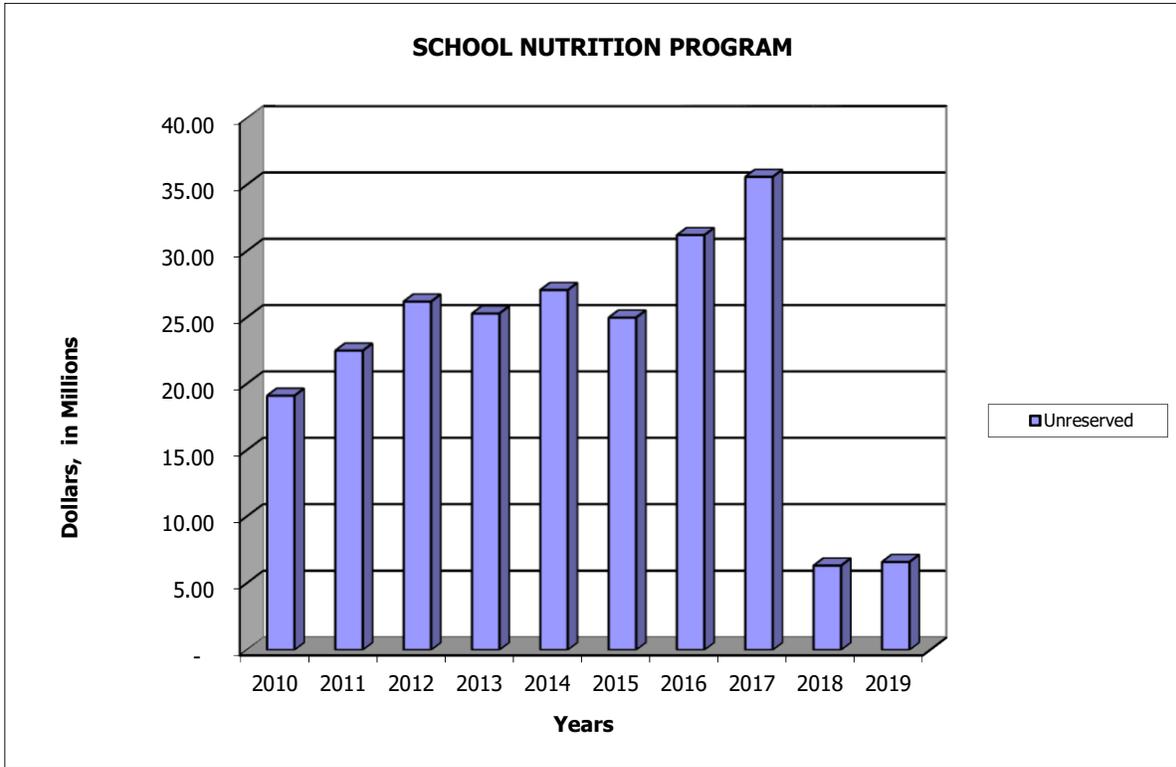
BREAKFAST									
Year	Average Daily Servings						Average Daily		
	Paid	%	Free	%	Reduced	%	Total	Attendance	Percent Served
2010	3,097	10.6	23,843	81.8	2,228	7.6	29,168	123,606	23.6
2011	2,807	9.4	25,331	85.0	1,677	5.6	29,815	126,450	23.6
2012	2,771	8.9	26,452	84.6	2,054	6.5	31,277	129,234	24.2
2013	-	-	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	30.2
2019	-	-	39,695	100.0	-	-	39,695	137,205	28.9

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: School Nutrition Department

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



SCHOOL NUTRITION PROGRAM IN NOMINAL DOLLARS (in Millions)			
Year	Unreserved Fund Equity	Retained Earnings	Fund Balance to Expenditures
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%
2019	6.59	67.03	9.8%

**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)			
			Taxes and Assessments	Inter- Governmental	Other	Totals
<i>Expressed in Nominal Dollars</i>						
2018	1,099,382	\$ 127,005.6	\$ 1,370.5	\$ 147.3	\$ 144.4	\$ 1,662.2
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
<i>Expressed in Constant Dollars</i>						
2018	1,099,382	\$ 50,148.3	\$ 541.1	\$ 58.2	\$ 57.0	\$ 656.3
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

Source: Mecklenburg County, North Carolina, Comprehensive Annual Financial Report for the Year Ended June 30, 2018 (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	Total Assesed Valuation	Direct Tax Rate
2018	\$ 102,261.0	\$ 20,131.6	\$ 4,613.0	\$ 127,005.6	0.8157
2017	100,015.2	19,282.8	4,623.5	123,921.5	0.8157
2016	99,102.3	18,741.0	4,714.3	122,557.6	0.8157
2015	96,725.4	17,979.0	3,928.8	118,633.2	0.8157
2014	95,379.3	13,985.4	3,569.4	112,934.1	0.8157
2013	95,935.5	14,570.7	3,430.4	113,936.6	0.7922
2012	96,421.2	16,001.8	3,322.2	115,745.2	0.8166
2011	82,522.5	14,501.7	3,213.7	100,237.9	0.8387
2010	81,628.2	14,990.3	3,273.2	99,891.7	0.8387
2009	78,995.3	15,461.7	3,356.6	97,813.6	0.8387

Source: Mecklenburg County, North Carolina Comprehensive Annual Financial Report for the Year Ended June 30, 2018 (most current information available).

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

Taxpayer	Fiscal Year 2018			Fiscal Year 2009		
	Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Duke Energy	\$ 2,763,118,686	1	2.18 %	\$ 1,877,283,089	1	1.92 %
Wells Fargo Bank	1,515,278,307	2	1.19	737,095,605	3	0.75
Bank of America	1,263,940,945	3	1.00	979,963,427	2	1.00
American Airlines	824,920,258	4	0.65	312,341,048	6	0.32
Spectrum (formerly Time Warner)	392,715,272	5	0.31	294,812,506	8	0.30
Piedmont Natural Gas Co	351,635,636	6	0.28	314,376,852	5	0.32
AT&T	342,643,883	7	0.27	485,815,336	4	0.50
South Park Mall	328,335,706	8	0.26	212,913,896	10	0.22
Teachers Insurance	233,262,239	9	0.18	296,703,427	7	0.30
Parkway 214 N Tryon LLC	210,118,400	10	0.17	-	-	-
Charlotte Gateway Village	-	-	-	238,389,045	9	0.24
Total	\$ <u>8,225,969,332</u>		<u>6.49 %</u>	\$ <u>5,749,694,231</u>		<u>5.87 %</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, 2019**

Mecklenburg County:	Assessed Valuation (1)	Percent of Countywide Total	Pro Rata Share of Governmental Activities Debt	Municipalities Debt (2)	Total Overlapping Debt
Charlotte	\$ 96,183,836,624	75.73 %	\$ 1,242,328,734	\$ 675,070,000	\$ 1,917,398,734
Cornelius	5,354,777,241	4.22	69,227,879	8,190,000	77,417,879
Davidson	1,886,235,810	1.49	24,443,019	-	24,443,019
Huntersville	6,866,504,767	5.41	88,749,484	23,964,000	112,713,484
Matthews	3,509,553,335	2.76	45,277,001	4,600,000	49,877,001
Mint Hill	2,564,180,261	2.02	33,137,515	675,000	33,812,515
Pineville	1,734,126,589	1.37	22,474,454	-	22,474,454
Unincorporated Areas	8,906,413,756	7.00	114,832,974	-	114,832,974
	<u>\$ 127,005,628,383</u>	<u>100.00 %</u>	<u>\$ 1,640,471,060</u>	<u>\$ 712,499,000</u>	<u>\$ 2,352,970,060</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 2013, 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, 2018 (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	
2018	1,099,382	\$ N/A	\$ N/A	N/A	4.2	%
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	

N/A: Data not available

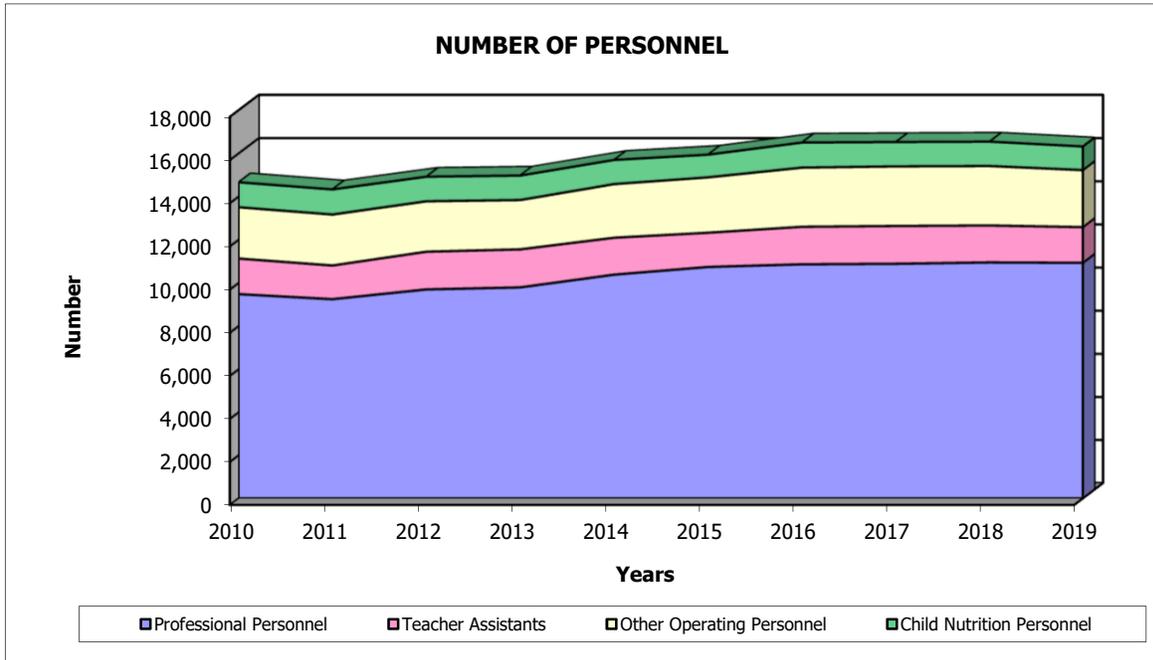
Source: Mecklenburg County, North Carolina Comprehensive Annual Financial Report for the Year Ended June 30, 2018 (most current information available).

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

Employer	2018			2009		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Atrium (formerly Carolinas HealthCare)	35,700	1	6.01 %	26,283	1	6.01 %
Wells Fargo Bank	23,500	2	3.96	20,000	2	4.57
Charlotte-Mecklenburg Schools	18,495	3	3.11	19,845	3	4.46
Bank of America Corporation	15,000	4	2.53	13,960	4	3.19
Novant Health	11,698	5	1.97	9,000	6	2.06
American Airlines	11,000	6	1.85	5,955	10	1.36
Harris Teeter	8,239	7	1.39	-	-	-
Duke Energy	7,800	8	1.31	7,757	8	1.77
State of North Carolina	7,600	9	1.28	7,479	9	1.71
City of Charlotte	6,800	10	1.14	-	-	-
Walmart Stores, Inc.	-	-	-	13,192	5	3.02
Delhaize America	-	-	-	8,658	7	0.98
Total	145,832			132,129		

Source: Mecklenburg County, North Carolina Comprehensive Annual Financial Report for the Year Ended June 30, 2018 (most current information available).

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



Year	Professional Personnel	Teacher Assistants	Other Operating Personnel	School Nutrition Personnel	Total Personnel
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
2019	10,930	1,654	2,641	1,095	16,320

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

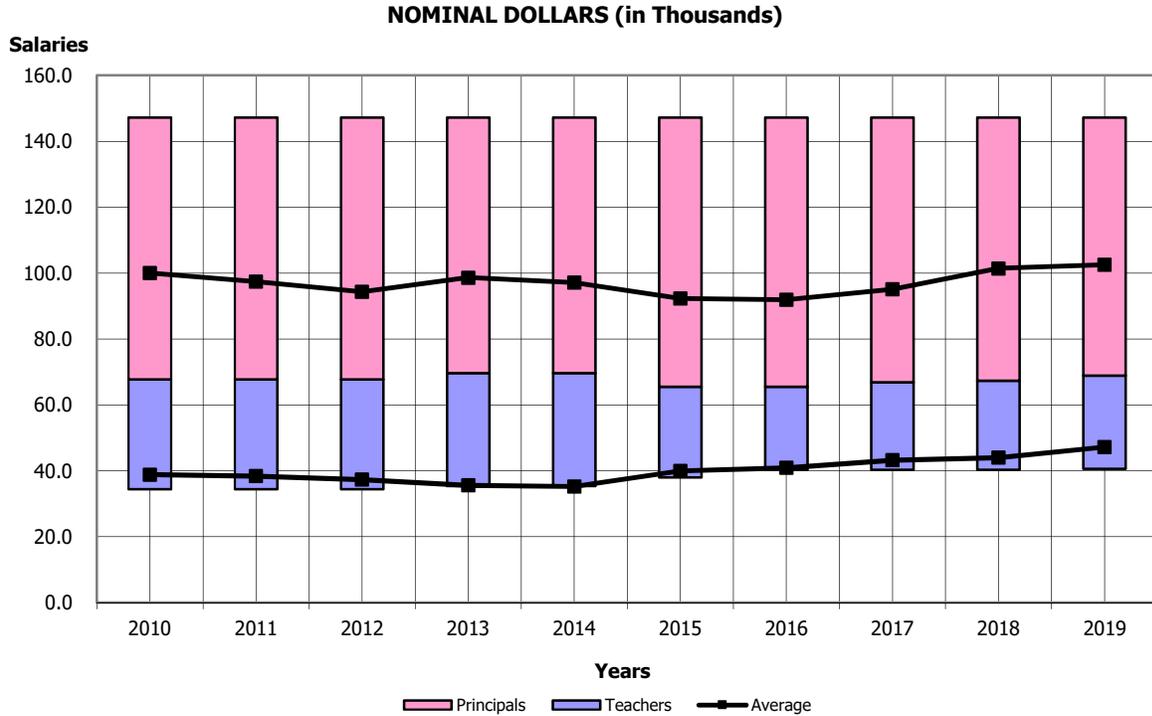
**CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
PERSONNEL SUMMARY
FOR THE LAST TEN FISCAL YEARS**

PUPIL TO PERSONNEL RATIO			
<u>Year</u>	Average	<u>Ratio Pupil to Professional</u>	Ratio Pupil to
	<u>Daily Membership</u>		<u>Other Personnel</u>
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
2019	146,534	13.4	27.2

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>
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
2019	20.5	79.5	52.4	39.5	8.1

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
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
2019	40.6	68.9	47.2	67.0	147.2	102.5

NOTES:

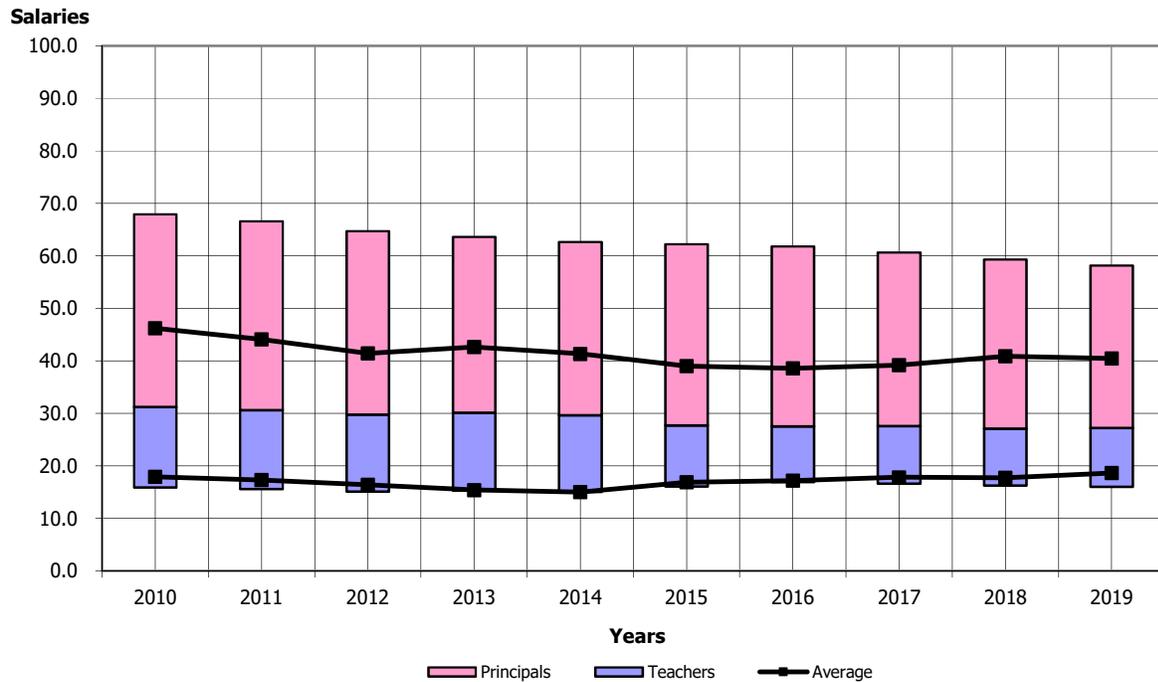
The above tabulation represents total salaries including both the state base salary and the local supplement, but does not include the following:

- 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
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
2019	16.0	27.2	18.6	26.5	58.1	40.5

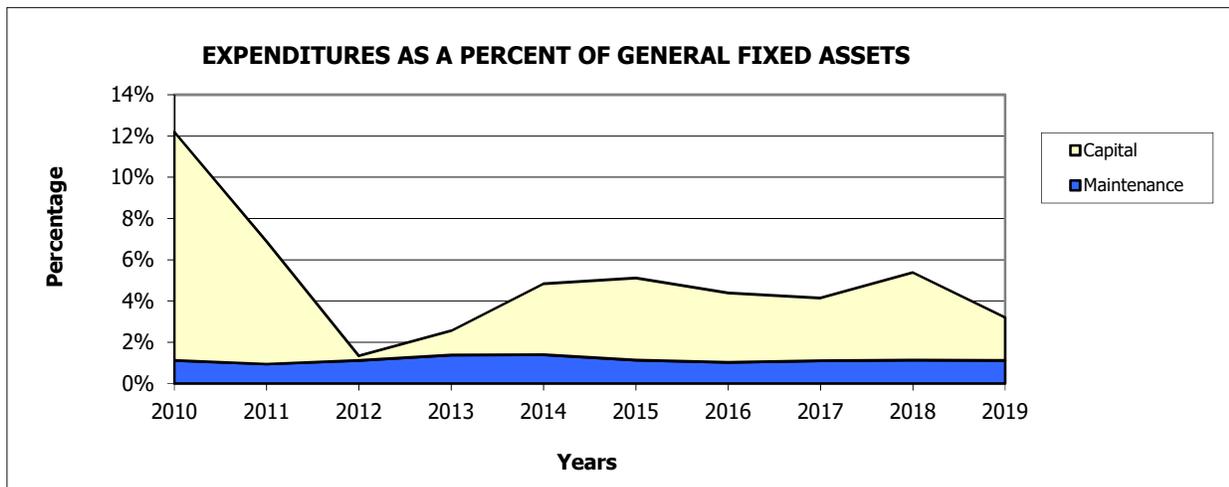
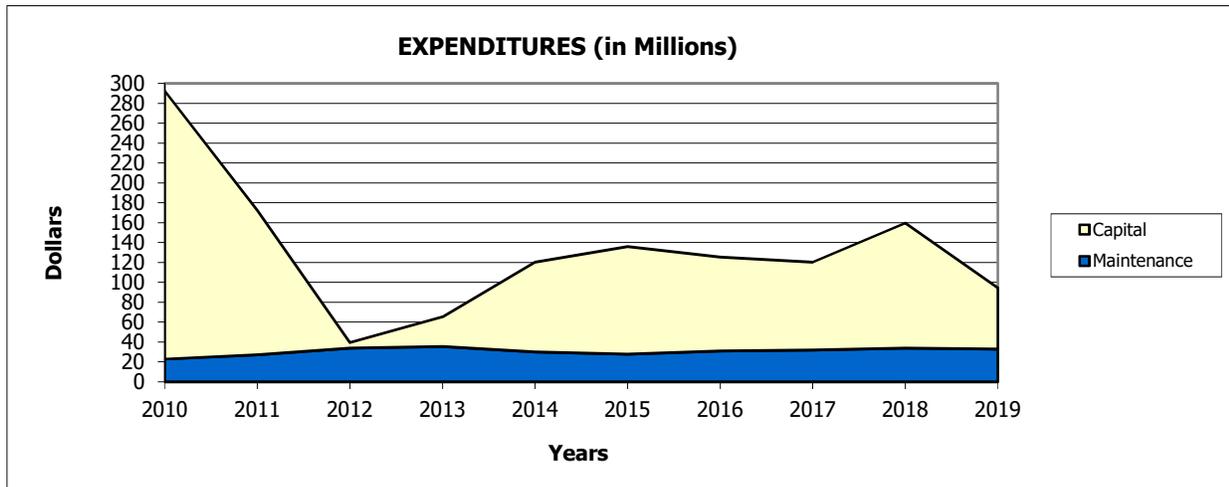
NOTES:

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
2010	2,430.9	22.9	1.1%	261.6	4.8	2.9	269.3	11.1%
2011	2,441.9	27.3	0.9%	125.8	8.4	11.0	145.2	5.9%
2012	2,451.9	33.9	1.1%	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	1.4%	86.9	3.4	0.1	90.4	3.4%
2015	2,713.1	27.9	1.1%	90.9	14.8	2.3	108.0	4.0%
2016	2,806.9	31.1	1.0%	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%
2019	2,946.3	32.8	1.1%	55.2	4.1	2.4	61.7	2.1%

NOTE:
Capital Expenditures include capital outlay and capital projects.

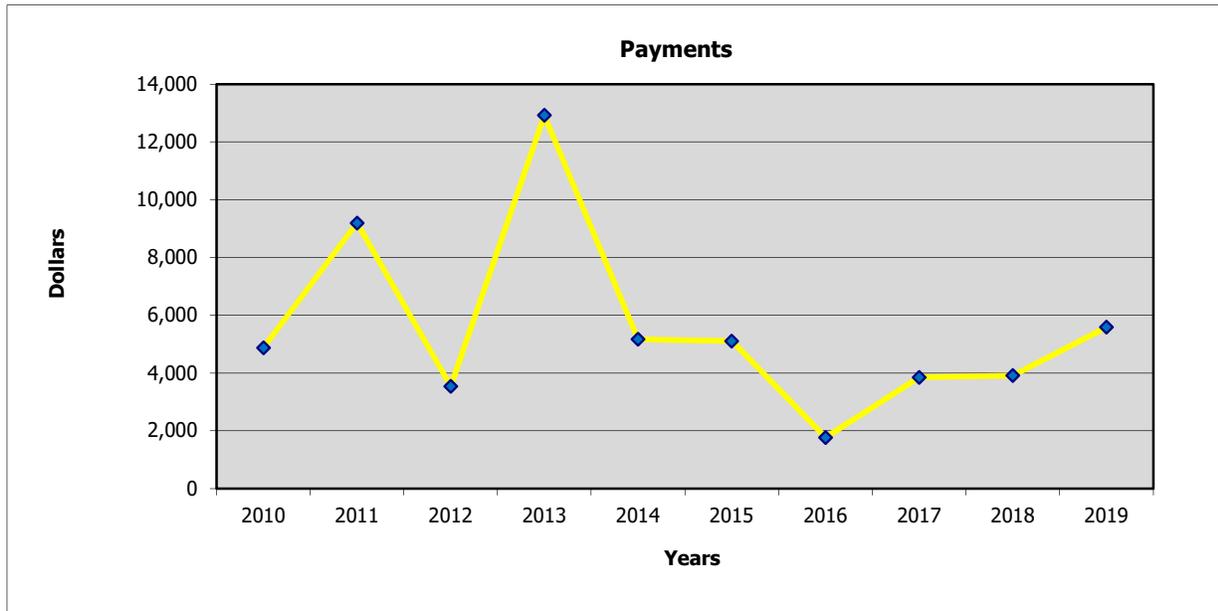
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**CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
CAPITAL LEASE AND INSTALLMENT PURCHASE PAYMENTS
FOR THE LAST TEN FISCAL YEARS**

(Amounts expressed in thousands)

Department	2010	2011	2012	2013	2014
Graphic Productions - Equipment	611	335	516	516	475
Transportation - School Buses	4,267	8,859	3,028	12,409	4,691
Total Payments	4,878	9,194	3,544	12,925	5,166

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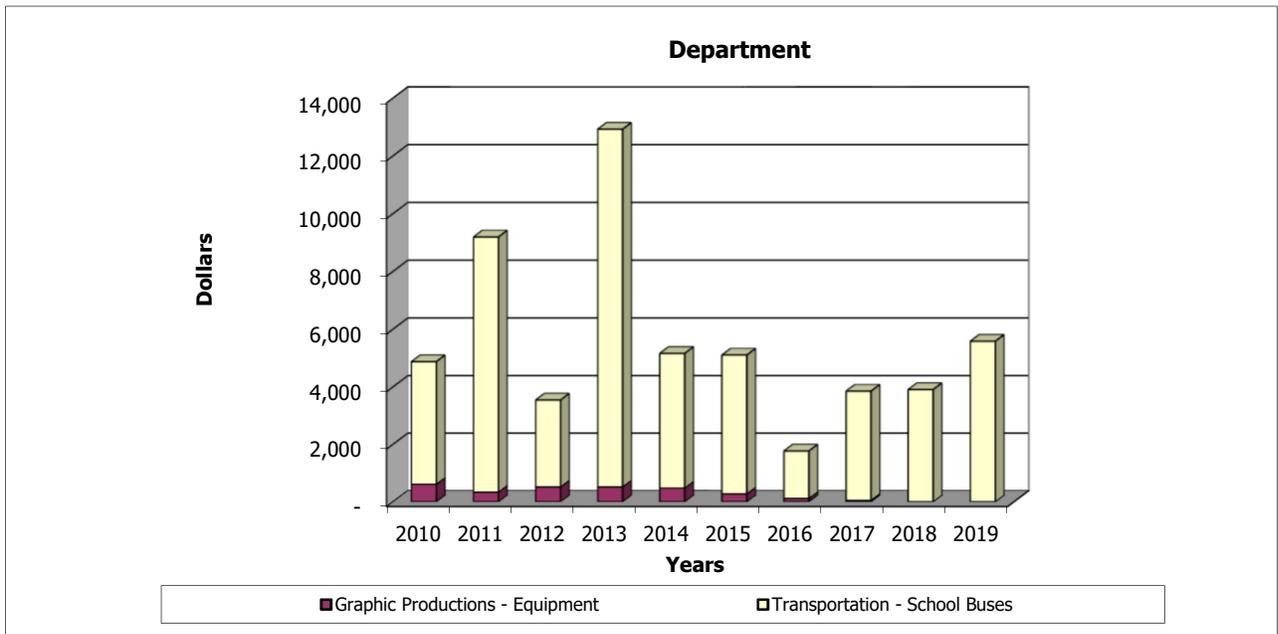


Source: Charlotte Mecklenburg School Schedule of Capital Lease Payments

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

(Amounts expressed in thousands)

Department	2015	2016	2017	2018	2019
Graphic Productions - Equipment	274	116	50	-	-
Transportation - School Buses	4,835	1,655	3,805	3,911	5,586
Total Payments	5,109	1,771	3,855	3,911	5,586



Source: Charlotte Mecklenburg School Schedule of Capital Lease Payments

**CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
SCHOOL BUILDINGS
FOR THE YEAR ENDED JUNE 30, 2019**

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	888
Allenbrook	K-5	18.4	51,904	1966	21	286
Bain	K-5	15.8	87,452	2013	39	943
Ballantyne	K-5	6.8	77,850	2008	39	909
Barnette	K-5	42.1	85,896	2008	39	763
Barringer	K-5	29.0	92,376	2002	36	511
Berewick	PK-5	**	96,459	2009	39	881
Beverly Woods	PK-5	15.3	78,371	1969	38	804
Billingsville	PK-5	6.4	97,614	1927	35	445
Blythe	PK-5	45.9	121,292	1998	50	1,018
Briarwood	K-5	15.0	63,279	1956	32	724
Bruns Avenue	K-5	13.2	138,917	1969	37	387
Chantilly Montessori	PK-6	16.2	90,680	1948	18	296
Charlotte East Language	K-6	11.4	130,319	2018	54	393
Clear Creek	PK-5	12.8	44,886	1960	30	529
Cornelius	K-5	19.5	80,505	1930	39	659
Cotswold	K-5	11.0	80,887	1956	32	496
Croft Community	K-5	25.8	77,881	2008	39	517
Crown Point	PK-5	43.0	71,953	1993	37	589
David Cox Road	PK-5	18.0	82,370	1994	37	678
Davidson	K-5	19.5	92,119	1994	35	708
Devonshire	K-5	21.0	83,846	1964	32	646
Dilworth	3-5	4.6	100,992	1966	28	366
Eastover	PK-5	4.0	64,407	1935	24	444
Elizabeth Lane	K-5	27.0	81,400	1996	35	1,082
Elizabeth Traditional	K-5	0.9	94,836	1925	26	495
Elon Park	K-5	**	79,278	2007	39	1,090
Endhaven	K-5	15.4	91,728	2003	35	709
First Ward	K-5	7.3	93,525	1967	34	644
Governors Village STEM (Lower)	PK-4	204.6	114,229	1996	54	1,091
Grand Oak	K-5	73.9	83,835	2013	39	584
Greenway Park	PK-5	17.0	83,480	1995	37	550
Hawk Ridge	K-5	17.9	84,237	1951	34	899
Hickory Grove	PK-5	24.1	166,089	1966/2009	68	567
Hidden Valley	K-5	15.0	90,400	1967	39	908
Highland Creek	K-5	26.6	91,098	2006	39	612
Highland Mill Montessori	PK-6	4.9	48,410	1954	15	234
Highland Renaissance	PK-5	17.3	90,858	2001	36	403
Hornets Nest	K-5	22.9	72,115	1991	36	635
Huntersville	K-5	28.6	93,766	1938	37	809
Huntingtowne Farms	K-5	19.0	83,429	1964	26	813
Idlewild	PK-5	16.2	75,030	1957	39	988
Irwin Academic Center	K-5	14.6	104,597	1935	36	374
J.H. Gunn	K-5	14.0	102,455	2002	35	742
J.V. Washam	PS-5	20.8	96,128	2006	39	1,126
Joseph W. Grier	PK-5	21.9	89,116	2001	35	793
Lake Wylie	PK-5	20.0	79,410	1992	39	646
Lansdowne	K-5	16.3	65,757	1959	32	590
Lawrence Orr	K-5	46.5	109,873	2015	55	710
Lebanon Road	PK-5	29.5	71,917	1990	36	728

**CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
SCHOOL BUILDINGS
FOR THE YEAR ENDED JUNE 30, 2019**

SCHOOL NAME	Grades	Site Size (Acres)	Square Footage	Year First Occupied	Building Classrooms	ADM 9th Month
Long Creek	PK-5	22.0	155,893	1932/2010	67	520
Mallard Creek	K-5	28.3	84,096	1987	40	605
Matthews	PK-5	18.4	95,323	1954	46	1,037
McAlpine	PK-5	15.3	67,362	1986	35	525
McKee Road	K-5	17.0	63,847	1989	31	569
Merry Oaks	PK-5	23.9	96,454	2002	42	547
Montclair	PK-5	14.7	49,888	1958	24	453
Myers Park Traditional	K-5	10.0	105,537	1928	37	647
Nations Ford	PK-5	46.0	84,663	2016	39	840
Newell	K-5	21.5	88,145	2015	39	824
Oakdale	K-5	9.0	90,652	2006	35	606
Oakhurst STEAM	PK-5	13.2	95,875	2015	36	638
Olde Providence	K-5	40.0	63,417	1968	32	736
Palisades Park	K-5	116.2	84,795	2014	39	783
Park Road Montessori	PK-6	24.0	49,499	1949	19	438
Parkside	PK-5	11.2	84,663	2015	39	352
Paw Creek	PK-5	26.7	80,809	1954	37	655
Pineville	K-5	17.9	83,847	2013	39	764
Pinewood	PK-5	20.0	85,517	1953	35	458
Piney Grove	PK-5	14.7	70,887	1977	36	791
Polo Ridge	K-5	8.0	79,278	2007	39	977
Providence Spring	K-5	23.5	88,947	2002	36	983
Rama Road	PK-5	15.0	87,454	1964	37	536
Reedy Creek	PK-5	26.0	65,865	1981	30	807
Renaissance West STEAM	PK-5	8.6	127,632	2017	54	550
River Gate	K-5	18.1	83,632	2009	39	801
River Oaks	PK-5	26.0	81,470	2009	39	553
Sedgefield	PK-2	14.8	85,109	1954	36	318
Selwyn	K-5	12.4	56,167	1958	25	805
Shamrock Gardens	PK-5	12.3	71,781	1954	30	480
Sharon	K-5	14.8	65,894	1977	28	913
Smithfield	PK-5	16.8	83,480	1994	37	634
Starmount	PK-5	16.0	55,884	2015	28	501
Statesville Road	PK-5	13.7	89,503	2016	39	577
Steele Creek	K-5	15.0	65,753	1968	33	742
Sterling	PK-5	29.8	92,500	2002	36	670
Stoney Creek	K-5	13.3	83,424	2009	39	755
Torrence Creek	K-5	18.2	92,029	2005	35	792
Trillium Springs Montessori	PK-6	22.0	57,305	2014	20	153
Tuckaseegee	K-5	15.0	93,044	1957	28	701
University Meadows	PK-5	17.5	76,880	1992	40	663
University Park Creative Arts	K-5	15.0	69,101	1957	34	426
Vaughan Academy of Technology	K-5	21.5	88,145	2015	39	414
Villa Heights	K-5	5.2	41,061	1974	12	102
Westerly Hills	PK-5	11.5	74,224	1969	36	494
Whitewater	PK-5	50.0	79,278	2007	39	787
Winding Springs	PK-5	38.7	83,480	1995	36	797
Windsor Park	PK-5	15.0	151,058	2004	35	600
Winget Park	K-5	20.0	100,319	2006	39	665
Winterfield	PK-5	17.7	82,931	1964	35	655

**CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
SCHOOL BUILDINGS
FOR THE YEAR ENDED JUNE 30, 2019**

SCHOOL NAME	Grades	Site Size (Acres)	Square Footage	Year First Occupied	Building Classrooms	ADM 9th Month
<i>PreK-8 SCHOOLS</i>						
Ashley Park	PK-8	12.7	72,469	1951	28	504
Berryhill	PK-8	15.0	62,782	1978	20	509
Druid Hills	PK-8	19.7	92,833	2004	35	438
Mountain Island Lake	PK-8	15.9	91,158	2002	35	790
Reid Park	PK-8	36.7	83,500	1994	36	421
Walter G. Byers	PK-8	15.0	90,860	2001	35	316
<i>K-8 SCHOOLS</i>						
Collinswood Language	K-8	15.0	74,292	1959	22	786
E.E. Waddell Language	K-8	130.0	234,731	2001	75	1,363
Governors Village STEM (Upper)	K-8	*	132,231	1998	53	812
Marie G. Davis	K-8	35.5	63,052	2007	36	541
Oaklawn Language	K-8	8.6	74,905	1963	26	573
Thomasboro	K-8	15.5	65,791	1941	32	622
<i>6-12 SCHOOLS</i>						
Cochrane Collegiate	6-12	30.4	121,692	1961	47	861
Northwest School of the Arts	6-12	9.5	197,177	1937	49	1,078
<i>7-12 SCHOOLS</i>						
J.T. Williams Secondary Montessori	7-12	27.6	96,647	1962	39	211
<i>MIDDLE SCHOOLS</i>						
Albemarle Road	6-8	25.8	138,088	1966	51	1,158
Alexander Graham	6-8	38.4	108,484	1958	37	1,419
Bailey	6-8	25.0	152,960	2006	57	1,714
Carmel	6-8	40.3	127,910	1996	52	1,179
Community House	6-8	65.4	148,996	2005	58	1,913
Coulwood STEM	6-8	30.5	108,627	1960	45	704
Crestdale	6-8	48.7	145,777	1997	54	899
Eastway	6-8	31.6	153,285	2005	54	905
Francis Bradley	6-8	61.4	145,777	1998	54	1,075
J.M. Alexander	6-8	27.1	131,196	2017	54	946
James Martin	6-8	*	174,000	1998	67	858
Jay M. Robinson	6-8	45.9	148,996	2002	54	1,250
Kennedy	6-8	32.1	105,633	1989	38	1,067
Martin Luther King, Jr.	6-8	54.8	152,452	2003	58	940
McClintock	6-8	30.3	133,792	2013	54	1,174
Mint Hill	6-8	64.3	159,230	2003	48	1,217
Northeast	6-8	30.0	132,485	1976	54	605
Northridge	6-8	32.0	133,000	1996	40	920
Piedmont	6-8	10.8	145,861	1925	42	1,073
Quail Hollow	6-8	30.1	120,902	1964	50	1,178
Randolph	6-8	25.0	120,643	1967	46	1,163
Ranson	6-8	30.0	140,028	1964	52	1,126
Ridge Road	6-8	26.2	130,156	2009	54	1,301
Sedgefield	6-8	23.4	108,865	1955	41	532
South Charlotte	6-8	33.1	132,500	1992	40	970
Southwest	6-8	41.2	156,132	2003	54	1,447
Whitewater	6-8	50.0	130,156	2009	54	758
Wilson STEM	6-8	34.3	110,360	1955/2018	39	458

**CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
SCHOOL BUILDINGS
FOR THE YEAR ENDED JUNE 30, 2019**

SCHOOL NAME	Grades	Site Size (Acres)	Square Footage	Year First Occupied	Building Classrooms	ADM 9th Month
<i>HIGH SCHOOLS</i>						
Ardrey Kell	9-12	59.2	310,970	2006	96	3,277
Butler	9-12	74.6	273,440	1997	75	1,985
Cato Middle College	<i>Classes held on CPCC Cato Campus</i>					216
Charlotte Engineering Early College	9	1.1	11,041	2014	10	305
Charlotte-Mecklenburg Virtual	9-12	5.2	40,869	1974	12	291
Charlotte Teacher Early College	<i>Classes held on UNC Charlotte Campus</i>					100
East Mecklenburg	9-12	45.5	275,608	1949	82	1,995
Garinger	9-12	63.4	236,546	1959	89	1,583
Harding University	9-12	51.4	167,889	1961	55	1,435
Harper Middle College	<i>Classes held on CPCC Harper Campus</i>					174
Hawthorne Academy of Health Sciences	9-12	14.4	104,567	1922	30	248
Hopewell	9-12	78.0	274,931	2001	75	1,674
Independence	9-12	53.7	293,730	1966	100	2,066
Levine Middle College	11-12	47.0	9,360	2014	8	227
Mallard Creek	9-12	**	306,950	2007	101	2,368
Merancas Middle College	<i>Classes held on CPCC Merancas Campus</i>					163
Military and Global Leadership	9-12	14.4	104,567	1922	30	181
Myers Park	9-12	72.3	310,024	1951	148	3,271
North Mecklenburg	9-12	53.8	207,420	1951	81	2,081
Olympic	9-12	51.6	275,577	1965	102	2,487
Performance Learning Center	9-12	4.2	13,078	1926	7	141
Phillip O. Berry Academy of Technology	9-12	51.0	321,996	2002	80	1,648
Providence	9-12	58.7	270,965	1989	88	1,909
Rocky River	9-12	64.0	258,191	2010	100	1,342
South Mecklenburg	9-12	52.0	286,939	1958	91	2,923
West Charlotte	9-12	50.0	240,470	1950	96	1,234
West Mecklenburg	9-12	53.7	244,439	1951	102	1,217
William Amos Hough	9-12	88.3	258,191	2010	100	2,475
Zebulon B. Vance	9-12	*	236,196	1997	77	1,823
<i>ALTERNATIVE SCHOOLS</i>						
Lincoln Heights	K-12	10.8	91,728	2002	35	77
Metro School	K-12	10.7	156,727	2006	32	230
Turning Point	K-12	9.2	61,861	1927	30	273

* - Governors Village STEM (Lower), Governors Village STEM (Upper), 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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