

Annual Comprehensive **Financial Report**

FOR THE FISCAL YEAR ENDED | JUNE 30, 2025

**City of Charlotte,
North Carolina**





Mayor & City Council



Vi Alexander Lyles
Mayor



James Mitchell Jr.
Mayor Pro Tem | At Large



Dimpla Ajmera
At Large



LaWana Mayfield
At Large



Dr. Victoria Watlington
At Large



Danté Anderson
District 1



Malcolm Graham
District 2



Joi Mayo
District 3



Reneé Johnson
District 4



JD Mazuera Arias
District 5



Kimberly Owens
District 6



Edmund H. Driggs
District 7

City Manager



Marcus Jones
City Manager



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Introductory Section

Annual Comprehensive Financial Report 2025



December 23, 2025

Honorable Mayor and Members of City Council, and Residents of Charlotte, North Carolina,

We are pleased to submit the Annual Comprehensive Financial Report (ACFR) of the City of Charlotte, North Carolina for the fiscal year ended June 30, 2025. The ACFR is provided to give detailed information about the financial position of the city to residents, City Council, staff, and other readers.

Management is responsible for both the accuracy of the presented data and the completeness and fairness of the presentations, including all disclosures. The financial statements have been prepared by the Finance Department in accordance with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants.

State law requires that all general-purpose local governments annually publish a complete set of financial statements. The city's financial statements, as required by North Carolina General Statute 159-34, have been audited by Cherry Bekaert LLP, a firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements are free of material misstatement. The independent auditor concluded that there is sufficient audit evidence for rendering an unmodified opinion that the financial statements for the fiscal year that ended June 30, 2025, are fairly presented in accordance with GAAP. The report of independent auditor is presented as the first component of the financial section of this report.

Additionally, the independent audit of the city's financial statements is part of a broader federal and state mandated "Single Audit" designed to meet the special needs of federal and state grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal and state awards. These reports are available in the Single Audit section at the end of this report.

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

City management is responsible for establishing, implementing, and maintaining a framework of internal controls designed to ensure that city assets 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 GAAP. The city's comprehensive framework of





internal controls provides reasonable – rather than absolute – assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

ABOUT CHARLOTTE

Charlotte is America's Queen City, opening her arms to a diverse and inclusive community of residents, businesses, and visitors alike; a safe family-oriented city where people work together to help everyone thrive.

The City of Charlotte, located in Mecklenburg County, is in the Piedmont region of North Carolina and centered between the Appalachian Mountains and the Atlantic Ocean. Incorporated in 1768, Charlotte became the county seat of Mecklenburg County in 1774. With an estimated population of 1,069,485 Charlotte is the most populous city in North Carolina and the 14th largest city in the nation.

Since 1929, the City of Charlotte has had a Council-Manager form of government. Policy-making and legislative authority are vested in a governing body consisting of a Mayor and eleven City Council members who are elected every two years on a partisan basis. The Mayor and four Council members are elected at-large by a citywide vote. The remaining seven Council members are elected by district, from voters who reside in each district. The Mayor and Council are responsible for appointing the City Manager, City Attorney, City Clerk, and members of various boards and commissions. The Council appropriates the annual budget, sets the tax rate and approves the financing of all city operations and capital investments. The City Manager is responsible for carrying out policies and ordinances and directs the daily operations and programs of the city.

The mission of the City of Charlotte is to ensure the delivery of a full range of quality public services and to promote the safety, health and quality of life of its citizens. The city provides services including police and fire protection; street construction and maintenance; solid waste services; water and sewer utilities; storm water management; airport facilities management; and public transit services.

The city is also financially accountable for other organizations that are reported as component units. This financial accountability is determined in accordance with criteria established by the Governmental Accounting Standards Board (GASB):

- The **Charlotte Firefighters' Retirement System**, a blended fiduciary component unit, is presented as a Pension Trust Fund.
- The **Charlotte Regional Visitors Authority** is reported as a discretely presented component unit.
- The **Transit Management of Charlotte (TMOC)**, which assists with the administration and operation of certain transit services for CATS, is included as a blended component unit due to the city's financial accountability.



Additional information on these, and other legally separate entities and the reporting entity can be found in Note 1.a. in the Notes to the Financial Statements.

The Annual Adopted Budget and Capital Investment Plan (CIP) are foundational to Charlotte's financial planning and fiscal control, affirming the city's key strategic priorities for fiscal year 2025 of Well Managed Government, focused on equity, engagement, and the environment; Great Neighborhoods; Safe Communities; Transportation and Planning; and Workforce and Business Development and documenting the allocation of resources to fund operations and capital projects based on organizational focus and strategy. To better inform the city's top budget priorities, the budget process includes community and employee engagement activities to identify areas of concern, increase collaboration across departments, and to seek feedback on operations. No later than June 30 of each year, Council adopts a final Budget and CIP.

Budget-to-actual comparisons are provided in this ACFR for each fund for which an appropriated annual budget has been adopted. The general fund comparison is presented as part of the basic financial statements. Regarding other funds with annual and project-length budgets, detailed budget-to-actual comparisons are presented in the Required Supplementary Information and Combining and Individual Fund Statements and Schedules section of this report. Additional information on the budget can be found in the MD&A and Note 3 in the notes to the financial statements.

LOCAL ECONOMY

The Charlotte region plays a pivotal role in the state's economy. The Charlotte region is the largest in the Carolinas, ranking 21st in the U.S. for total output and accounts for about 32 percent of the total output for the Carolinas. The Charlotte Metropolitan Statistical Area (MSA) nonfarm employment increased year-over-year in August 2024 by 1.8 percent (adding 24,200 jobs) to 1.38 million jobs from 1.36 million jobs in August 2023. These 24,200 added jobs represent about 32.6 percent of the state's total job gain over the period. It is one of the fastest-growing areas in the country, with more than 157 people moving to the region every day and the vast majority being of prime working age. This robust talent pipeline, nurtured by nationally renowned universities, colleges, and community colleges, ensures access to a skilled workforce capable of driving innovation and growth.

The city's strong financial foundation allowed it to allocate two-thirds of the federal COVID-19 Relief Funds received to directly support our community. Charlotte was allocated \$141.6 million in Local Fiscal Recovery Funds through the American Rescue Plan ACT (ARPA), receiving \$70.8 million in May of 2021 and \$70.8 million in June 2022. Charlotte engaged in deliberate planning with key community stakeholders to use these funds guided by City Council's priorities to balance the immediate needs of the city along with making long-term transformational investments for Charlotte's future. Through this framework the city identified four primary categories of investments: Workforce and Economic Development (\$32.7 million), Housing (\$47 million), Community Vitality (\$31 million), and City Operations (\$30.9 million).

Business Environment. According to a 2025 study by CNBC, North Carolina ranked as the number 1 state for business. The Charlotte region stands out as a premier location for corporate headquarters. Located in the heart of the Southeastern United States, the region has established itself as a significant business hub with a diverse economy. Its strategic positioning and robust transportation infrastructure make it an attractive option for companies looking to set up their headquarters in a vibrant and accessible city. The Charlotte area houses seven companies from the Fortune 500 list, according to the June 2025 rankings by Fortune Magazine. There are 19 Fortune 1000 companies in the broader Charlotte region.

The Charlotte area's seven Fortune 500 companies include Bank of America, Lowe's, Honeywell, Nucor, Truist Financial, Duke Energy and Sonic Automotive. Charlotte is also home to two of the top ten largest banks' headquarters and ranks as the nation's second largest banking center. Bank of America Corporation, the nation's second largest bank with \$2.62 trillion in consolidated assets, and Truist Financial, the nation's eighth largest bank, with \$527.5 billion are headquartered in Charlotte. Charlotte's strength as a banking headquarters city is foundational to the region's economic success.

In May 2024, community lenders, local corporate partners and the city launched one of the largest non-pandemic access to capital opportunities directed at small businesses in the history of Charlotte. Charlotte Small Business Growth Fund aims to provide \$40 million in loans to more than 2,000 underserved small businesses over the next four years. Nearly 40 percent of Charlotte's small businesses are minority-owned, making it an economic imperative to expand access to capital for these entrepreneurs.

The 1,400 acre The River District in West Charlotte, the largest undeveloped tract in the area and a transformational master planned community, has achieved meaningful milestones as of FY 2025. Foundational infrastructure such as roadways, water and sewer systems are now in place, while vertical construction has commenced with the 318 unit "NOVEL River District" apartment complex expected to welcome residents in early 2026. Concurrently, home builders have closed on initial lots for single family homes and townhomes in the first phase, Westrow, of the District. The project continues to reflect strong sustainability ambitions, earning an international "One Planet Living Leader" designation for its integration of over 500 acres of preserved green space, trails, and river access. At full build out, the community is designed to include approximately 2,300 single family homes, 2,350 multifamily units, up to 8 million square feet of commercial space, and 500,000 square feet of retail.

Transportation and Distribution Hub. Location and infrastructure combine with a robust production workforce to make Charlotte an ideal region for transportation, distribution, and logistics operations. The Charlotte region is strategically located between major ports and inland cities, and the region's location allows for two-day truck delivery to Miami, New York, and Chicago. Transportation assets in the region include Charlotte-Douglas International Airport, four interstate highways (I-85, I-77, I-485, and I-40), an inland terminal, and two intermodal facilities. Charlotte is also the center of the country's largest consolidated rail system with two major railroads, Norfolk Southern Railway and CSX Transportation.



Foundational to the economic success of the Charlotte region, Charlotte Douglas International Airport (CLT) is the top economic engine among North Carolina airports, according to the NCDOT Division of Aviation. In 2023, CLT served about 53 million passengers, supported 184,400 jobs, and produced around \$39.7 billion in economic output for North and South Carolina combined of which over \$36.6 billion in output and about 167,000 jobs were in North Carolina alone.

In 2024, CLT recorded 596,583 aircraft movements (takeoffs and landings), and reflects an 11 percent increase over 2023, placing it 6th globally for aircraft operations according to ACI's preliminary rankings.

Also in 2024, CLT was recognized by the Air Transport Research Society's Global Airport Performance Benchmarking Task Force as the most financially efficient airport in North America, reflecting strong performance in costs, productivity, and efficiency among 205 airports in North America, Asia Pacific, and Europe.

Part of guiding the Charlotte-Mecklenburg region's growth is managing traffic and congestion through new transportation investments, including the Red Line commuter rail. On September 9, 2024, the City of Charlotte finalized a \$91 million purchase of about 22 miles of Norfolk Southern's O-Line corridor and property at Charlotte Gateway Station, a milestone for the project. The Red Line remains a key component of the region's Transit System Plan, adopted in May 2025, which also calls for a 50 percent increase in bus service and 43 miles of new rapid-transit rail. A design update is in progress, reassessing station locations, Uptown connections, and vehicle technology. The proposed line would extend about 25 miles from Uptown Charlotte through Huntersville, Cornelius, and Davidson, with potential extension into southern Iredell County. Funding is supported by a one-cent transit sales tax authorized by the P.A.V.E. Act, signed in July 2025. Mecklenburg County voters approved the measure on November 4, 2025, which is projected to generate more than \$19 billion over 30 years to support transit, roads, and bus service.

In addition to funding, the P.A.V.E. Act authorized the creation of the Metropolitan Public Transportation Authority (MPTA), a new regional governance entity that will finance, operate, and maintain a safe, reliable, efficient, and environmentally sound public transportation system for Mecklenburg County. The MPTA is composed of a 27-member board with appointments by the City of Charlotte, Mecklenburg County, the county's towns, state leadership, and others, and will oversee the build-out of the future transit system.

With the establishment of the MPTA following voter approval of the sales tax, the Charlotte Area Transit System (CATS)—currently a department of the City of Charlotte that operates existing bus, rail, and streetcar services—will transition to the MPTA as the operating authority for existing services and the delivery of future transit projects. This governance shift is expected to provide a more coordinated, countywide approach to transit planning and operations. The Charlotte Gateway Station will serve as a hub for the Red Line, Amtrak, buses, the CityLYNX Gold Line, and future light-rail projects. NCDOT is evaluating a temporary early station to allow service before the full Gateway Station complex is complete. With voter approval of the sales tax and funding now secured, construction will proceed in phases, with service unlikely before the early 2030s.



Recreational, Visitor and Cultural Center. A healthy tourism sector raises the region's profile with visitors, showcases the community's southern hospitality, helps support broader economic development initiatives, upward mobility, and revenue to invest in our community. In fiscal year (FY) 2024, visitors to Mecklenburg County spent an estimated \$6.4 billion, an 8.9 percent increase over 2023. Tourism supported 37,969 jobs and generated \$2.09 billion in payroll, along with \$219.3 million in state taxes and \$200.1 million in local taxes. The Charlotte Regional Visitors Authority's activities in FY 2024 generated approximately \$1.1 billion in economic impact.

Charlotte continues to be a premier destination for tourism, conventions, and special events, including:

- National sports with the Carolina Panthers (NFL) and Charlotte Football Club (MLS) at Bank of America Stadium and the Charlotte Hornets (NBA) at the Spectrum Center
- Minor League Baseball (MiLB) with the Charlotte Knights (a Triple-A affiliate of the Chicago White Sox) at Truist Field and minor-league hockey with the Charlotte Checkers (a minor league affiliate of the NHL's Florida Panthers) at Bojangles' Coliseum
- Other teams including women's professional soccer with the Carolina Ascent FC, one of eight inaugural franchises to launch with the USL Super League in 2024, Anthem Rugby Carolina (RC) of Major League Rugby (MLR), and Carolina Chaos of Premier Lacrosse League
- Art, culture, and science at the Bechtler Museum of Modern Art; the Knight Theater; the Harvey B. Gantt Center for African American Arts & Culture; the Mint Museum; the North Carolina Blumenthal Center for Performing Arts; the Charlotte Nature Museum; and the Discovery Place Museum.
- Charlotte Convention Center, welcoming visitors and guests to conventions and trade shows, assemblies, consumer shows, and local events.
- NASCAR Hall of Fame, a signature, must-experience iconic landmark serving as the recognized home for honoring NASCAR's legends, evolving history, celebrated heritage and family-oriented traditions.

Long-term Financial Planning. The city's Capital Investment Plan (CIP) for long-term capital infrastructure is a multi-year plan that makes investments to support the growth and vitality of the community and the quality of life. Consistent with best practices, the city annually proposes a five-year CIP. The first year of the plan is adopted by City Council while the remaining four years are provided as a plan.

Affordability for capital projects is determined annually using comprehensive debt models that evaluate revenues dedicated to capital and future debt service requirements. The models specify the ability to issue debt that can be fully repaid with existing or planned revenues.

Financial Policies. The City of Charlotte has a history of sound fiscal policy and practices and has consistently held AAA ratings for over 48 years, since 1977. The city adopts a comprehensive set of financial policies to ensure that financial resources are managed in a prudent manner and to provide a foundation for financial sustainability. Compliance with these policies is

reviewed annually as part of the budget process. The policies are published in the Annual Adopted Budget and Capital Investment Plan. The city maintains a structurally balanced budget to achieve long-term financial stability for the community.

Charlotte also adheres to management practices designed to maintain diverse revenue sources and sound financial results. The city regularly evaluates and sets fees at levels designed to support the full costs of services; amortizes at least 50 percent of principal for general government general obligation debt and certificates of participation in the first ten years; and retains General Fund balance at 16 percent of expenditures.

MAJOR INITIATIVES

The FY 2026 budget advances City Council's priorities, strengthens city programs, ensures delivery of core services, enhances employee compensation, and fosters collaboration across Team Charlotte. It was developed without a property tax increase, with supplemental adjustments funded by one-time American Rescue Plan Act (ARPA) revenue replacement funds.

Reviewing Services for Alignment and Further Efficiencies. As part of the FY 2026 budget planning, the City of Charlotte has prioritized operational efficiency, service alignment, and organizational realignments to better meet community needs. More than \$7 million in new efficiencies were identified through advances in technology, updated fees, and optimized service delivery. Several key structural changes are proposed, including the integration of Procurement Services and Charlotte Business Inclusion into a new Contracting and Procurement department, which will strengthen vendor outreach, promote small business participation, and improve contract monitoring. Other realignments include moving the city's Economist to the Economic Development department and transitioning the Office of Constituent Services under the Office of Mayor and City Council for closer alignment with elected officials. Additionally, a new Organizational Improvement Team will be established to streamline operations and improve customer satisfaction.

Animal Care and Control. As part of the FY 2026 budget, Animal Care and Control will transition from the Police Department to General Services to better reflect its civilian-led operations and to leverage administrative and operational support. A major capital investment of \$30 million is planned for a new satellite adoption center at South Tryon Street, with \$7.5 million allocated in FY 2026 toward design and development. This facility will expand capacity with dedicated space for dogs, cats, small pets, and kittens, strengthening Charlotte's commitment to animal welfare.

Supporting Public Safety Operations. Public safety remains a central focus, with recurring investments in communication equipment, fire engines, police vehicles, and specialty apparatus to keep pace with population growth and community expectations. The city is advancing its \$107 million firehouse expansion program, with new facilities opening in Hidden Valley, Beam Road, and the River District in FY 2026. Charlotte's first all-electric fire engine will also be deployed that year. Investments in training facilities, including a proposed Commercial Burn Building, will enhance firefighter preparedness. Staffing expansions include a new Fire Investigator and two Emergency Planners to bolster emergency management capabilities.

In addition, the FY 2026 budget strengthens Charlotte-Mecklenburg Police Department (CMPD) and Charlotte Fire Department staffing and retention through the Public Safety Pay Plan, which provides a 6.5% pay increase—including step progression—for most sworn Police and Fire employees not at the top pay step. Employees at the top step receive a 1.5% market adjustment in September and a 1.5% lump-sum payment, for a total of 3%. These investments support competitiveness in recruitment and retention while ensuring the City maintains a highly trained, professional public safety workforce.

Together, these initiatives strengthen core services, support growth, and ensure Charlotte is positioned to deliver safe, efficient, and modern public safety services.

Maintaining a Focus on Workforce Development and Small Business. The City of Charlotte is continuing its commitment to workforce development and small business support in FY 2026. Building on the 2025–2029 Workforce Development Strategic Plan, \$2.7 million in remaining American Rescue Plan Act funds will be used to strengthen career pathways, close skills gaps, and target industries tied to mobility investment. An additional \$900,000 from the Corridors of Opportunity program will also support workforce development initiatives. The Education to Employment (E2E) Program will continue, giving CMS graduates access to full-time, entry-level city jobs with pay and benefits across eight departments.

To further support economic growth, the city will launch a Small Business Readiness Fund with \$1.5 million to help locally owned businesses build capacity and compete for contracts in high-growth industries. Existing programs such as AMP Up Charlotte and NXT|CLT, which provide resources and education for minority- and women-owned businesses, will continue with \$450,000 in funding. Together, these initiatives reinforce Charlotte’s focus on creating equitable career opportunities and supporting small business participation in the city’s economic future.

Moving Mobility Forward. Charlotte is reinforcing its commitment to safe, affordable housing, economic mobility, and accessible transportation by prioritizing investments in mobility. The Strategic Mobility Plan, developed over the past three years, serves as a blueprint for addressing transportation needs and guiding investments where they will have the greatest community impact. The plan emphasizes safe, walkable neighborhoods, expanded mobility options, and reduced congestion. Its implementation strategy focuses on urgency and delivering projects quickly to meet today’s needs while also preparing for long-term growth.

In FY 2025 City Council adopted, and voters approved a Transportation Bond that provides \$55 million for Strategic Investment Areas (SIAs). Within months, all bond funding was programmed into two SIAs, with sidewalk construction beginning in early 2025. The initiative also emphasizes equity by engaging minority-women, and small-owned businesses in upcoming opportunities. By aligning departments under a shared strategy and accelerating project delivery, the city is positioning itself to manage future large-scale investments and ensure mobility improvements directly benefit Charlotte’s communities.



Succeeding with Sustainability. Over the past six years, Charlotte has built a strong foundation for its Strategic Energy Action Plan (SEAP), using lessons from early implementation, updated science, and evolving technology and policy. In FY 2025, the plan now called SEAP+ was refreshed with expanded public and advisory engagement, revised municipal energy goals, the addition of a renewable energy generation target, and interim milestones set for 2030 and 2035, with an overall goal of 2050. A new fourth focus area was also introduced, emphasizing system-wide connections such as waste reduction, data sharing, tree canopy preservation, water conservation, and community resilience.

In FY 2026, the Office of Sustainability will continue advancing SEAP+ by strengthening collaboration across city departments, partnering with community organizations, and engaging residents to drive progress. The plan will also emphasize efficiency by linking city service inputs and outputs to Council's broader priorities. To support this work, the city is committing \$2.75 million (\$250,000 PAYGO and \$2.5 million in Certificates of Participation (COPS) funding) in FY 2026, reinforcing Charlotte's commitment to sustainability and long-term resilience.

Corridors of Opportunity. The Corridors of Opportunity program, launched in 2020, has become a catalyst for community investment and revitalization. By leveraging federal funding, private partnerships, and neighborhood engagement, the program has generated a return of \$1.71 for every \$1.00 of city investment. In FY 2025, City Council allocated \$5 million to be used over two years to continue this work. For FY 2026, \$500,000 will be invested along Beatties Ford Road, supporting projects such as bicycle connections, new sidewalks, planting strips, pedestrian improvements, and safer intersections.

Affordable Housing. The 2024 \$100 million Housing Bond represents a landmark investment and a new direction for affordable housing in Charlotte. As the largest bond of its kind ever approved by voters, it will expand housing production, add thousands of new units, and broaden the types of housing and services available to residents. Unlike previous housing bonds that focused mainly on multi-family construction, this bond introduces a more holistic approach that includes supportive services to promote resident health, stability, and long-term development.

Adopted by City Council in Fall 2024, the investment is distributed across several priorities. These include \$35 million for rental housing production, \$25 million to expand homeownership opportunities, and \$14 million for rental housing preservation and anti-displacement efforts. The bond also provides \$9 million for supportive housing and shelter capacity, \$5 million for rehabilitation and emergency repair, \$5 million for an innovation pilot fund, \$5 million for site acquisition, and \$2 million for administration and evaluation.

AWARDS AND ACKNOWLEDGMENTS

For the 40th consecutive year, the City of Charlotte received the Government Finance Officers Association of the United States and Canada (GFOA) Certificate of Achievement for Excellence in Financial Reporting for the city's annual comprehensive financial report (ACFR) for the fiscal year ended June 30, 2024. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized ACFR that satisfies both GAAP and applicable legal requirements. A Certificate of Achievement is valid for a period of one year





only. We are confident that the city's fiscal year 2025 ACFR also meets the Certificate of Achievement Program's requirements and will be submitting it to the GFOA for consideration of another award.

For the eleventh consecutive year, the Government Finance Officers Association of the United States and Canada presented a Distinguished Budget Presentation Award to City of Charlotte, North Carolina, for its Annual Budget for the fiscal year beginning July 1, 2024. To receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as a financial plan, as an operations guide, and as a communications device. The award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

Government Finance Officers Association of the United States and Canada has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to City of Charlotte, North Carolina for its Popular Annual Financial Report for the fiscal year ended June 30, 2023. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports. In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government unit must publish a Popular Annual Financial Report, whose contents conform to program standards of creativity, presentation, understandability, and reader appeal. An Award for Outstanding Achievement in Popular Annual Financial Reporting is valid for a period of one year only. City of Charlotte, North Carolina has received a Popular Award for the last three consecutive years (fiscal years ended 2021-2023). Currently, the City's Popular Annual Financial Report for the fiscal year ended June 30, 2024, is still under review. However, our expectations remain positive that it will receive the award, continuing the strong track record we have maintained.

We believe our current report continues to conform to the Popular Annual Financial Reporting requirements, and we are submitting it to GFOA to determine its eligibility for another Award.

We commend staff for their integrity, professional competency, and dedication to the work of the city throughout the year. Their commitment to maintaining the highest standards of professionalism in the fiscal management of the city is foundational to the successful preparation of this ACFR. We also credit the Mayor and City Council for their strong leadership and support in setting sound fiscal policy to ensure financial resources are managed prudently and provide a foundation for financial sustainability.

Marcus D. Jones
City Manager

Matthew Hastedt
Chief Financial Officer





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Charlotte
North Carolina**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2024

Christopher P. Morrell

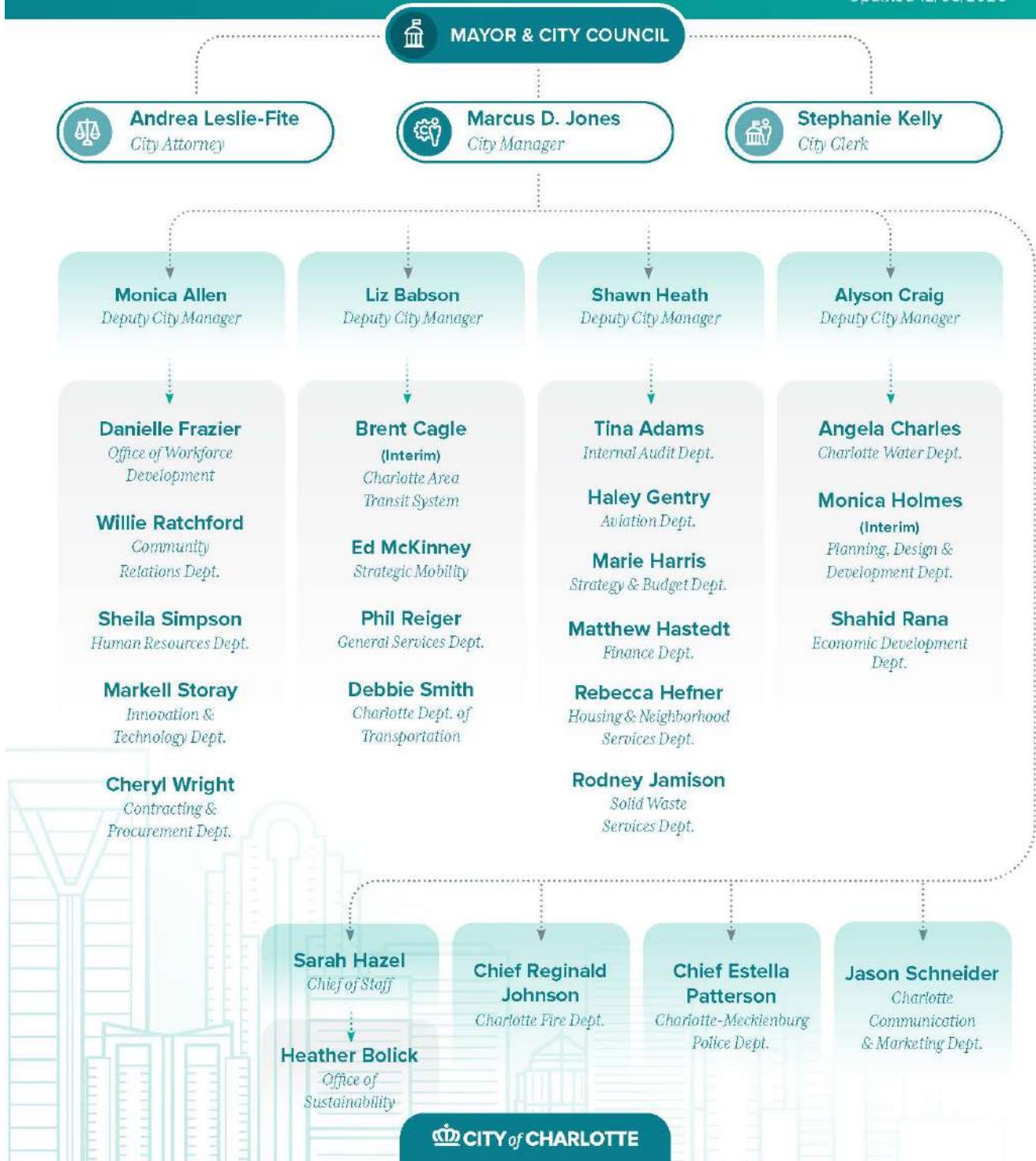
Executive Director/CEO





CITY OF CHARLOTTE ORGANIZATION

Updated 12/08/2025





Financial Section

Annual Comprehensive Financial Report 2025



Report of Independent Auditor

To the Honorable Mayor and Members of the City Council
City of Charlotte, North Carolina

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Charlotte, North Carolina (the "City") as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Charlotte Regional Visitors Authority ("CRVA"), which is the discretely presented component unit, as of June 30, 2025. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for CRVA, is based solely on the report of the other auditors.

Basis for Opinions

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. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As described in further detail in Section 1 Note (d)11 to the financial statements, the City adopted the provisions of Governmental Accounting Standards Board Statement 101, *Compensated Absences*. As a result, net position has been restated. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining and individual fund statements and schedules, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 by us. In our opinion, based on our audit, the combining and individual fund statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 23, 2025, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of the City's 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 City's internal control over financial reporting and compliance.

Cherry Bekaert LLP

Charlotte, North Carolina
December 23, 2025





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Management's Discussion and Analysis

Annual Comprehensive Financial Report 2025

MANAGEMENT’S DISCUSSION AND ANALYSIS
(Dollar Amounts in Millions)

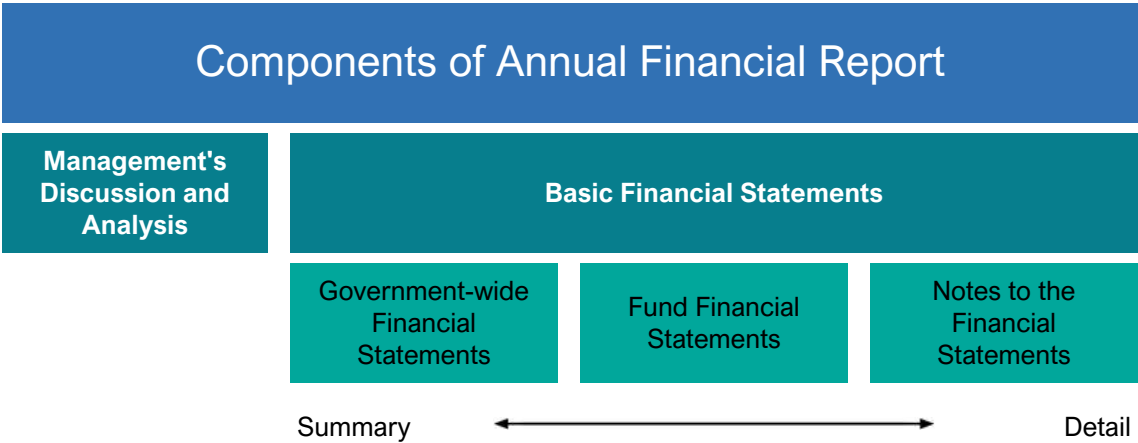
This section of the City of Charlotte’s (City) annual financial report presents a narrative overview and analysis of the City’s financial performance for the fiscal year ended June 30, 2025. Please read it in conjunction with the transmittal letter at the front of this report and the City’s financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$14,509.2 (net position). Of this amount, \$1,396.1 (unrestricted net position) may be used to meet the government’s ongoing obligations to residents and creditors.
- The overall financial position of the City improved in 2025 as evidenced by an increase in total net position of \$666.3. This increase was from business-type activities, \$535.7, and an increase in governmental activities, \$130.6.
- As of the close of the current fiscal year, the City’s governmental funds reported combined ending fund balances of \$1,284.7, a decrease of \$(32) in comparison with the prior year. This decrease resulted from a decrease in revenue from property and other taxes.
- Unassigned fund balance in the General fund was \$151.0 at June 30, 2025 and represents a traditional fund balance reserve maintained for emergencies, liquidity and overall financial strength. This meets the City Council’s goal of 16 percent of the budget for fiscal year 2025. Any amount exceeding the City Council’s goal of 16 percent is considered committed fund balance.
- The City has consistently maintained its Aaa rating from Moody’s Investors Service and AAA rating from Standard & Poor’s Ratings Services and Fitch Ratings.
- During the year, the City implemented GASB Statement 101, Compensated Absences. The implementation of the standard establishes updated guidance for accounting and financial reporting of compensated absences, such as vacation, sick leave and paid time off.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis serves as an introduction to the City’s basic financial statements. The basic financial statements present two different views of the City through the use of government-wide statements and fund financial statements. This diagram shows how the components of the annual report are arranged and relate to one another.



The first two statements (pages 21-25) are government-wide financial statements that provide both long-term and short-term information about the City's overall financial status. The remaining statements (pages 26-43) are fund financial statements that focus on individual parts of the City government, reporting the City's operations in more detail than the government-wide statements.

- The *governmental funds statements* tell how general government services like public safety were financed in the short-term as well as what remains for future spending. A budgetary comparison statement has been provided for the General fund to demonstrate budgetary compliance.
- *Proprietary funds statements* offer short- and long-term financial information about the activities the City operates like businesses, such as the water and sewer system.
- *The fiduciary funds statements* reflect the financial relationship with the Firefighters' Retirement System, which provides benefits exclusively for certain City employees, and the Employee Benefit Trust, which accumulates resources for the provision of other postemployment benefit payments for certain retirees and their beneficiaries.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data (pages 47-119). A section is also included with required supplementary information and combining statements that provides details about non-major governmental funds, internal service funds, and fiduciary funds, each of which are totaled and presented in single columns in the basic financial statements. This section (pages 124-186) also includes detailed budgetary information required by North Carolina General Statutes.

The remainder of this overview section explains the structure and contents of the government-wide and fund financial statements.

Government-wide financial statements. The government-wide statements report information about the City as a whole using accounting methods similar to those used by private-sector companies.

The *statement of net position* is the difference between the City's total assets and deferred outflows of resources and total liabilities and deferred inflows of resources. Over time, increases or decreases in net position may serve as a useful indicator of whether financial position is improving or deteriorating. Other nonfinancial factors such as changes in the City's property tax base and the condition of the City's roads must be considered to assess the overall health of the City.

The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year. The statement accounts for all of the current year's revenues and expenses regardless of when cash is received or paid.

The government-wide financial statements are divided into three categories:

- Governmental activities - Most of the City's basic services are included here, such as public safety, community planning and development, and streets and highways. Property taxes, other taxes, and grants and contributions finance most of these activities.
- Business-type activities - The City charges fees to customers to cover the costs of certain services provided. The City's water and sewer system, storm water system, airport, and public transit system are included here.
- Component unit - The City's annual report includes one other entity, the Charlotte Regional Visitors Authority. Although legally separate, the City appoints the governing board and provides financial support.

Fund financial statements. The fund financial statements provide more detailed information about the City's most significant funds, not the City as a whole. Funds are accounting groups that the City uses to keep track of specific sources of funding and spending for particular purposes. Some funds are required by State Statutes. Other funds are established to control and manage resources designated for specific purposes.



The City has three kinds of funds:

- **Governmental funds** - Most of the City's basic services are included in governmental funds, which focus on (1) the flow in and out of cash and other financial assets that can readily be converted to cash and (2) the balances left at year-end that are available for spending. These funds are reported using the modified accrual accounting basis and a current financial resources measurement focus. Consequently, the governmental funds statements provide a detailed short-term view that helps determine the financial resources available in the near future to finance the City's programs. The relationship between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in a reconciliation that follows the governmental fund financial statements.

The City adopts an annual budget for the General fund, as required by State Statutes. A budgetary comparison statement is presented for the General fund using the City's budgetary basis of accounting. This statement reflects the following: (a) the original budget, (b) the final budget as amended, (c) actual resources, and (d) the variance between the final budget and actual resources. Because the budgetary basis of accounting differs from the modified accrual basis used in the funds statements, reconciliation is provided at the end of the statement.

- **Proprietary funds** - Services for which the City charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long- and short-term financial information. The City has two types of proprietary funds. Enterprise funds are the same as the business-type activities (shown in the government-wide financial statements), but provide more detail and additional information, such as cash flows. Internal service funds are used to report activities that provide supplies and services for the City's other programs and activities. These internal service activities predominantly benefit governmental rather than business-type activities; therefore, they have been included with governmental activities in the government-wide financial statements.
- **Fiduciary funds** - The City is the trustee, or fiduciary, for the Firefighters' Retirement System and the Employee Benefit Trust. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes. This fiduciary activity is reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. These funds are excluded from the City's government-wide financial statements because the City cannot use these assets to finance its operations.



FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

Net position. As noted earlier, net position may serve over time as a useful indicator of a government's financial position. For the City, assets and deferred outflows exceeded liabilities and deferred inflows by \$14,509.2 at the close of the most recent fiscal year. A summary of the City's net position at June 30, 2025 and 2024 is presented below.

	Net Position					
	Governmental Activities		Business-type Activities		Total Primary Government	
	2025	2024 Restated	2025	2024	2025	2024 Restated
Current and other assets	\$ 1,602.0	\$ 1,650.7	\$ 2,881.7	\$ 2,778.5	\$ 4,483.7	\$ 4,429.2
Capital assets	7,339.9	7,024.9	11,691.7	11,021.0	19,031.6	18,045.9
Total assets	8,941.9	8,675.6	14,573.4	13,799.5	23,515.3	22,475.1
Deferred outflows of resources	591.3	763.9	89.0	101.2	680.3	865.1
Current and other liabilities	259.1	282.5	401.0	467.1	660.1	749.6
Noncurrent liabilities	3,133.2	3,072.4	5,259.8	4,954.8	8,393.0	8,027.2
Total liabilities	3,392.3	3,354.9	5,660.8	5,421.9	9,053.1	8,776.8
Deferred inflows of resources	450.3	513.1	183.2	190.6	633.5	703.7
Net position:						
Net investment in capital assets	5,440.2	5,335.0	6,715.3	6,250.8	12,155.5	11,585.8
Restricted	526.2	447.5	431.4	482.6	957.6	930.1
Unrestricted	(275.7)	(211.0)	1,671.8	1,554.8	1,396.1	1,343.8
Total net position	\$ 5,690.7	\$ 5,571.5	\$ 8,818.5	\$ 8,288.2	\$ 14,509.2	\$ 13,859.7

By far the largest portion of the City's net position (84 percent) reflects its investment in capital assets (land, buildings, roads, bridges, etc.), less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to residents; consequently, these assets are not available for future spending.

An additional portion of the City's net position (7 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position \$1,396.1 may be used to support operations and provide for payment of long-term debt.

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net position for the government as a whole, as well as for its business-type activities. Unrestricted net position for governmental activities is negative due to pensions and other postemployment benefit plans (OPEB), detailed in Note 5 in the notes to the financial statements.

Government-wide net position increased by \$666.3 during the current fiscal year from an increase in both governmental and business-type activities.



Changes in net position. The following table presents the City's changes in net position for the fiscal years ended June 30, 2025 and 2024.

	Change in Net Position					
	Governmental Activities		Business-type Activities		Total Primary Government	
	2025	2024	2025	2024	2025	2024
Revenues						
Program revenues:						
Fees, fines and charges for services	\$ 201.5	\$ 185.0	\$ 1,335.4	\$ 1,206.2	\$ 1,536.9	\$ 1,391.2
Operating grants and contributions	78.6	66.6	114.4	144.3	193.0	210.9
Capital grants and contributions	256.2	244.2	269.1	270.1	525.3	514.3
General revenues:						
Property taxes	637.4	585.6	–	–	637.4	585.6
Other taxes	429.5	411.7	162.0	155.8	591.5	567.5
Grants and contributions not restricted to specific programs	36.8	38.3	–	–	36.8	38.3
Other	49.9	54.9	103.6	107.0	153.5	161.9
Total revenues	1,689.9	1,586.3	1,984.5	1,883.4	3,674.4	3,469.7
Program expenses						
Public safety	648.7	632.9	–	–	648.7	632.9
Sanitation	102.5	88.7	–	–	102.5	88.7
General administration	51.9	61.0	–	–	51.9	61.0
Support services	95.9	93.3	–	–	95.9	93.3
Engineering and property management	40.3	51.2	–	–	40.3	51.2
Streets and highways	375.0	157.9	–	–	375.0	157.9
Culture and recreation	74.0	66.5	–	–	74.0	66.5
Community planning and development	89.4	110.6	–	–	89.4	110.6
Business-type grant related	–	–	–	–	–	–
Interest and other charges	54.3	57.5	–	–	54.3	57.5
Water	–	–	265.0	243.4	265.0	243.4
Sewer	–	–	285.7	253.7	285.7	253.7
Storm Water	–	–	62.7	55.4	62.7	55.4
Airport	–	–	546.7	504.8	546.7	504.8
Public Transit	–	–	316.0	288.8	316.0	288.8
Total expenses	1,532.0	1,319.6	1,476.1	1,346.1	3,008.1	2,665.7
Excess (deficit) before transfers	157.9	266.7	508.4	537.3	666.3	804.0
Transfers	(27.3)	(25.0)	27.3	25.0	–	–
Increase (decrease) in net position	130.6	241.7	535.7	562.3	666.3	804.0
Net position - beginning, as previously reported	5,571.5	5,329.8	8,288.2	7,725.9	13,859.7	13,055.7
Change in accounting principle	(11.4)	–	(5.4)	–	(16.8)	–
Net position - beginning, restated	5,560.1	5,329.8	8,282.8	7,725.9	13,842.9	13,055.7
Net position - ending	\$ 5,690.7	\$ 5,571.5	\$ 8,818.5	\$ 8,288.2	\$ 14,509.2	\$ 13,859.7

Total government-wide revenues of \$3,674.4 were derived primarily from fees, fines, and charges for services (42 percent) and property and other taxes (33 percent). These sources of revenues increased 8.7 percent from the prior year.

Tax revenues for the year increased primarily due to increased property tax revenue, which grew as a result of an average increase of approximately 3% in taxable property tax values, driven by increased local real estate values. In addition, Capital grants and contributions increased due to growth in annexed street miles year over year.

The total expenses of all programs were \$3,008.1. The expenses cover a range of services with the two largest being transportation (streets and highways, airport and public transit) for 41 percent and public safety (fire and police) for 22 percent.

Public safety expense increased over the prior year as a result of budgeted increases for salaries and wages, retirement, and overtime. Additionally, expenses related to streets and highways increased due to the completion of several major street improvement and expansion projects.

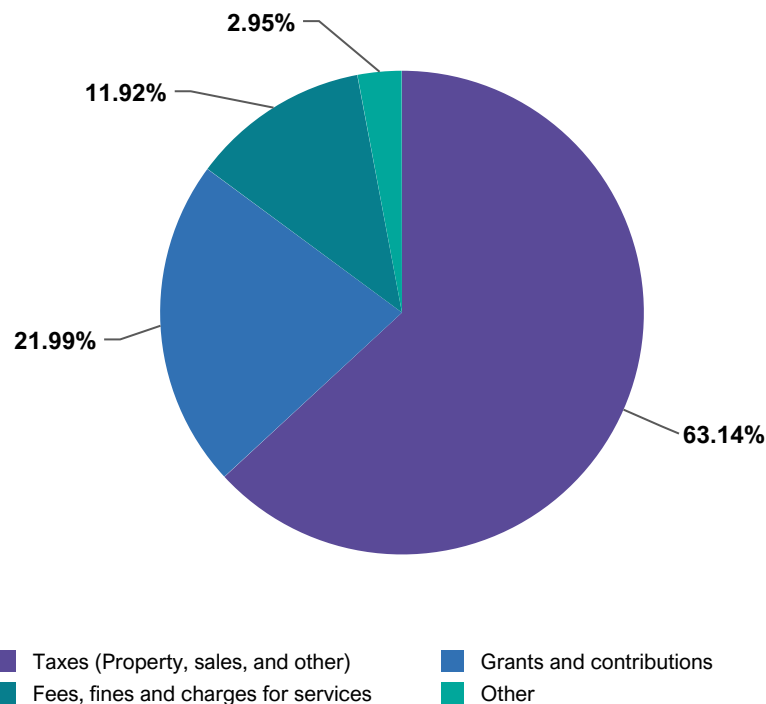
Governmental Activities

As shown in the chart, property, sales and other taxes (63.1 percent) and grants and contributions (22.0 percent) were the major sources of revenues for governmental activities.

Governmental revenues increased by \$103.6 compared to the prior year with increases in all major sources of revenue. This increase can be attributed to the increases in sales and property taxes and capital grants and contributions. Property taxes grew as a result of an average increase of approximately 3% in taxable property tax values, driven by increased local real estate values.

Governmental expenses increased from \$1,319.6 to \$1,532.0 during this fiscal year. This increase is attributable in part to the increase in public safety salaries and wages. The increase in expenses is also due to the completion of several major street improvement and expansion projects.

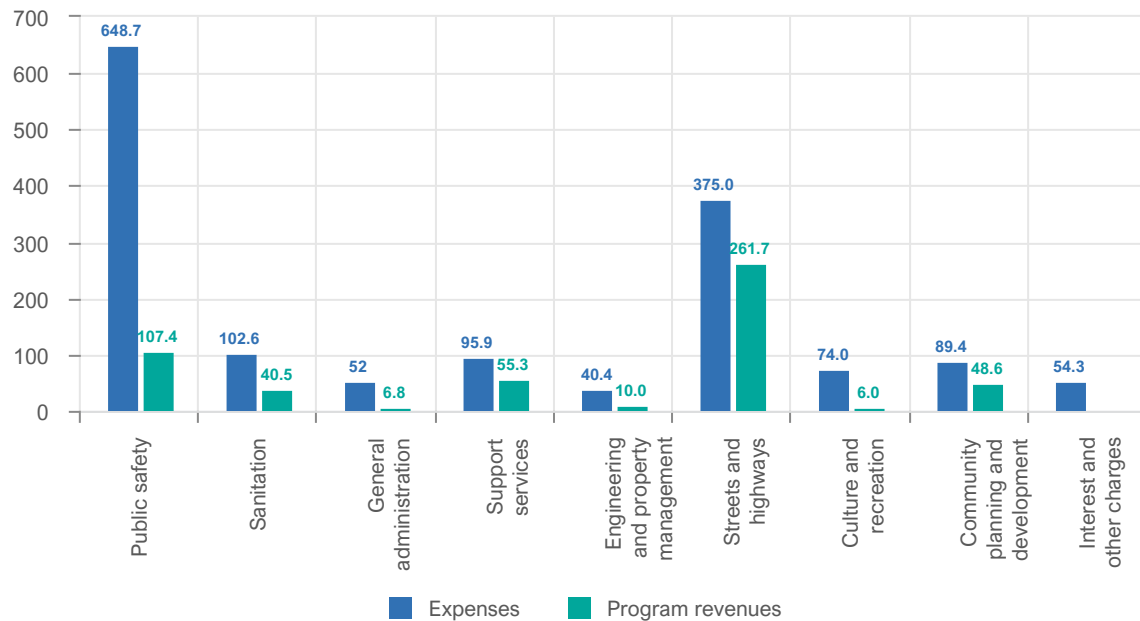
Governmental Revenues by Source



The following chart highlights the net cost (total cost less fees generated by the activities and intergovernmental grants) of the City's governmental programs mainly public safety, sanitation, and community planning and development. The net cost shows the financial support provided by taxes and other general revenue sources not restricted to specific programs.



Governmental Expenses Compared with Program Revenues



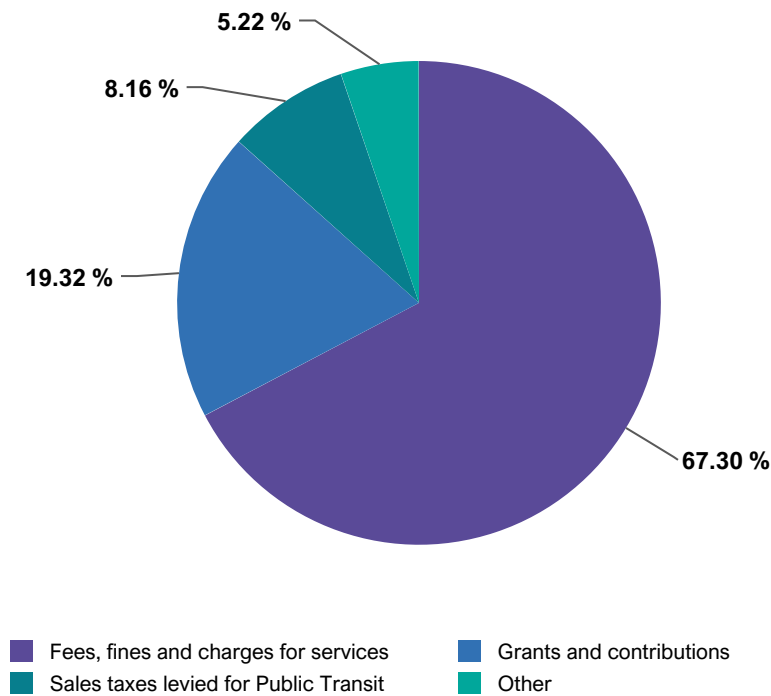
In addition to property and other taxes, the total cost of services of \$1,532.0 was supported by \$334.8 provided by other governments and organizations for specific programs and \$201.5 provided by fees, fines and charges from those who directly benefited from the programs.

Business-type Activities

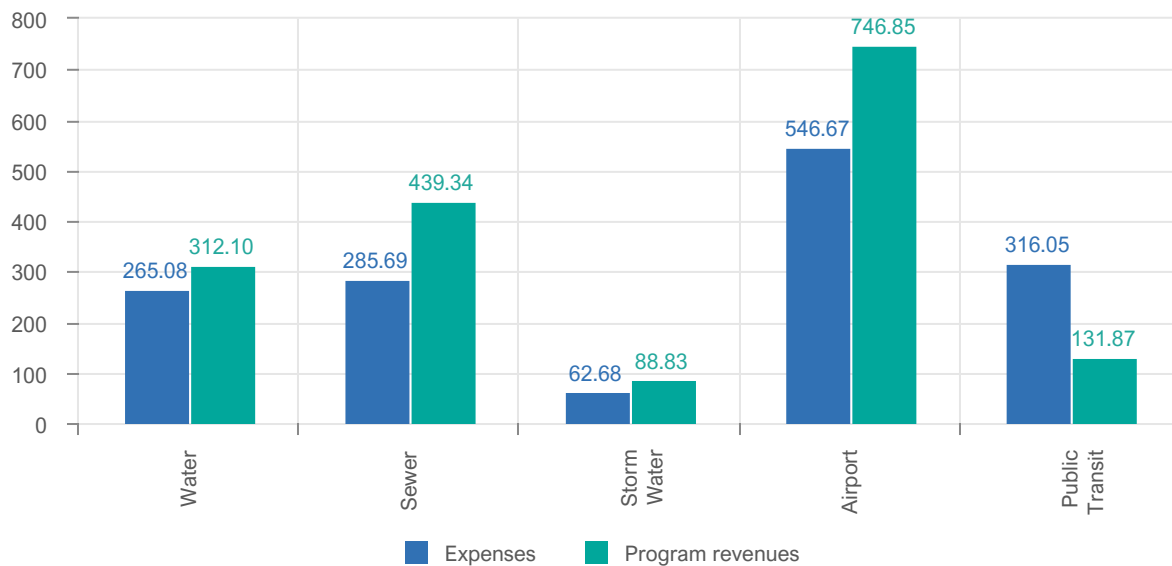
Revenues for the business-type activities were \$1,984.5, an increase of 5 percent from the prior year. This increase is mostly due to increases in fines, fees and charges for services. Specifically, Airport and Public Transit revenues were \$630.1, a 16.0 percent increase from the prior year largely due to the increase in customers traveling.

The chart below highlights the net cost of the City's business-type programs. For all business-type activities, except Public Transit, user rates and fees are established to provide for operating expenses, debt service costs and adequate working capital. Public Transit passenger fares are established to provide reasonably priced public mass transportation and therefore may not cover all operating costs. In addition to fare revenues, state operating assistance grants, a one-half percent sales tax and contributions from other local governments fund the transit program.

Business-type Revenues by Source



Business-type Expenses Compared with Program Revenues



Overall, business-type activities expenses are up \$130.0 over the prior year, which is attributed to increases in salary and benefits, increased costs for city services, increase costs in materials/supplies, internal fleet costs, increased light rail maintenance and bus safety operations.



FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

Governmental funds. The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. At June 30, 2025, the governmental funds reported a combined fund balance of \$1,284.7, a decrease of \$32, or (2.4) percent, from last year. This amount consists of the following:

- (a) \$24.2 non-spendable for inventories, perpetual care, and prepaid items,
- (b) \$522.6 restricted for State Statute and specific programs,
- (c) \$475.1 committed primarily for capital projects,
- (d) \$58.6 assigned for debt service, and
- (e) \$147.4 unassigned.

The general fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the general fund was \$151.0, while total fund balance reached \$239.2. The City's Capital Investment Plan Financial Policies include a policy to maintain fund balance at 16 percent of the operating budget. Any portion in excess of 16 percent is dedicated to capital expenses, unless otherwise directed by City Council.

Another major governmental fund is the debt service fund. The debt service fund has a total fund balance of \$173.3, all of which will be used for either the payment of debt service or is restricted by State Statute. Debt service fund balance decreased \$17.0 from the prior year which was a result of a purchase of the O-Line from railroad operator Norfolk Southern Corporation in support of the Charlotte Area Transit System (CATS) Red Line Commuter Rail Project.

Another major governmental fund is the capital projects fund. The capital projects fund has a total fund balance of \$447.7, almost all of which is committed for future capital projects. Capital project fund balance decreased \$(85.5) from the prior year. This is due to significant expenditures related to facility renovations for the Spectrum Center and transit corridor development.

Proprietary funds. Proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position at the end of the year amounted to \$399.4 in the Water and Sewer fund, \$95.2 in the Storm Water fund, \$968.7 in the Airport fund and \$231.2 in the Public Transit fund. The changes in net position for the funds were \$221.0, \$32.2, \$267.7 and \$16.9, respectively. Factors concerning the finances of these funds have already been addressed in the discussion of the business-type activities.

GENERAL FUND BUDGETARY HIGHLIGHTS

Revenues were \$7.6 above the final budgeted amount. Property tax, investment earnings, and administrative charges were \$8.5 more than expected. Property tax revenues exceeded expectations due to fiscal year 2024 being a revaluation year and revenues being estimated based on a higher appeals rate than was actually achieved. Higher investment earnings resulted from increased cash balances and interest rates throughout the year. Administrative charges resulted from continuous efforts by city staff to collect fees to reimburse costs.

The fiscal 2025 budget increased 7.6 percent over the fiscal 2024 budget to address the Mayor and Council's strategic priorities: well-managed government, great neighborhoods, safe communities, transportation planning, and workforce and business development. The development of the FY 2024 budget was guided by the strategic priorities with funding directed towards programs and services that support these priorities. The priorities serve as the foundation for funding decisions and setting objectives. The two largest revenue sources in the general fund are property tax and sales tax which comprise 70.1 percent of total revenue. Actual expenditures were \$3.9 less than final budgeted amounts for fiscal year 2025. The proposed budget was developed with the goal of maintaining core services and taking care of our highest priority needs while not burdening residents.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. At June 30, 2025, the City had \$19,031.4 (net of accumulated depreciation and amortization) in capital assets consisting primarily of land, buildings, roads, and water and sewer lines. This amount represents a net increase of \$985.5, or 5.5 percent over last year. The following is a summary of capital assets at June 30, 2025 and 2024:

Capital Assets						
(Net of Depreciation and Amortization)						
	Governmental Activities		Business-type Activities		Total Primary Government	
	2025	2024	2025	2024	2025	2024
Land	\$ 4,071.7	\$ 3,842.9	\$ 697.5	\$ 687.9	\$ 4,769.2	\$ 4,530.8
Buildings	1,084.1	945.6	1,148.2	1,178.2	2,232.3	2,123.8
Improvements other than buildings	—	—	8,860.6	8,149.9	8,860.6	8,149.9
Infrastructure	1,765.0	1,734.9	—	—	1,765.0	1,734.9
Intangibles	4.3	5.0	59.2	49.9	63.5	54.9
Machinery and equipment	123.6	98.9	451.8	381.8	575.4	480.7
Construction in progress	208.8	310.6	453.6	547.8	662.4	858.4
Right to use land	—	—	10.0	10.2	10.0	10.2
Right to use buildings	12.6	13.9	—	—	12.6	13.9
Right to use infrastructure	1.4	1.4	—	—	1.4	1.4
Right to use machinery and equipment	1.3	1.5	4.1	4.9	5.4	6.4
SBITAs	67.1	70.2	6.5	10.4	73.6	80.6
Totals	\$ 7,339.9	\$ 7,024.9	\$ 11,691.5	\$ 11,021.0	\$ 19,031.4	\$ 18,045.9

This year's major capital asset additions included:

- Red Line Acquisition - \$91.1
- Spectrum Arena - \$137.4
- Stowe Regional WRRF - \$147.3
- Fourth Parallel Pre-Construction - \$203.3

At June 30, 2025, authorized and unexpended capital projects totaled \$3,679.0 as follows: Governmental \$1,822.3, Water and Sewer \$550.4, Storm Water \$123.4, Airport \$901.8, and Public Transit \$280.4. The City has plans to issue additional debt to finance these projects in addition to using resources currently available.

More detailed information about the City's capital assets is presented in Note 4.f. to the financial statements.



Long-term debt. At June 30, 2025, the City had \$6,993.8 of debt outstanding in bonds, installment purchases, derivative instrument liability, and other financing agreements. This was an increase of \$406.1 over last year. Details by type of debt are presented in the following table:

	Outstanding Debt					
	Governmental Activities		Business-type Activities		Total Primary Government	
	2025	2024	2025	2024	2025	2024
General obligation bonds (backed by the City's taxing authority)	\$ 820.7	\$ 912.6	\$ —	\$ —	\$ 820.7	\$ 912.6
Revenue bonds (backed by specific fee revenues)	—	—	4,444.8	4,223.4	4,444.8	4,223.4
Direct placement installment purchases	—	—	3.9	6.5	3.9	6.5
Installment purchases	746.3	695.0	245.8	260.1	992.1	955.1
Direct placement installment purchases draw program	110.0	9.4	—	—	110.0	9.4
Direct placement general obligation bond anticipation notes	139.8	59.7	—	—	139.8	59.7
Direct placement revenue bond anticipation notes	—	—	324.6	231.0	324.6	231.0
Derivative instrument liability	3.1	2.1	—	—	3.1	2.1
Swaption borrowing payable	2.9	3.3	—	—	2.9	3.3
Direct borrowing loans and other financing agreements	—	—	94.1	98.5	94.1	98.5
Leases	16.4	17.6	4.2	4.9	20.6	22.5
SBITAs	32.2	53.9	5.0	9.7	37.2	63.6
Totals	\$ 1,871.4	\$ 1,753.6	\$ 5,122.4	\$ 4,834.1	\$ 6,993.8	\$ 6,587.7

New debt for 2025 included the issuance of refunding and taxable Housing GO bonds (\$66.2), revenue bonds for refunding and various Airport projects (\$505.5), installment purchases for refunding and various City projects (\$91.2), bond anticipation notes (\$298.6), an installment purchases draw program (\$100.6), and state revolving loans (\$0.6).

The City's sound financial condition is evidenced by the continuation of its Aaa rating from Moody's Investors Service and AAA rating from Standard & Poor's Ratings Services and Fitch Ratings. Charlotte is one of the few major cities in the nation that maintains the highest financial category rating from these rating agencies. This achievement is a primary factor in keeping interest costs low on the City's outstanding debt.

The City's total debt of \$6,993.8 arises from both governmental and business-type activities. The largest portion of debt is revenue bonds, 63.6 percent, which are backed by specific fee revenues, rather than the City's taxing authority.

North Carolina General Statutes limit the amount of general obligation debt that the City can issue to 8 percent of the total assessed value of taxable property. The legal debt margin for the City at June 30, 2025 was \$15.4 billion. The City had \$774.0 in authorized but unissued debt for streets, housing, and neighborhood improvements.

More detailed information about the City's long-term liabilities is presented in Note 4.j. of the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The following economic indicators impact the City's budget outlook:

- During fiscal year 2025, 19,969 building permits were issued with a value of over \$7.0 billion compared to 23,517 permits for 2024.
- Retail sales during fiscal year 2025 were \$36.0 billion compared to \$35.0 billion for fiscal year 2024. Sales tax revenue is projected to increase by 0.2 percent next year.
- The June 2025 unemployment rate was 4.0 percent compared to 3.7 percent for the State and 4.1 percent for the nation. As of March 2025, employment grew by 1.0 percent, adding 11,073 jobs compared to the same period last year.

- Assessed property valuations are expected to exceed \$231.8 billion for 2026 compared to \$226.3 billion for 2025, or an increase of 2.4 percent.

The fiscal 2026 operating budget is \$2,193.7, an increase of 8.6 percent over fiscal year 2025. The development of the 2026 budget included a review of revenue and financial approaches that maintain a good value to tax and rate-payers, are consistent with Council policy, and uphold the city's strong financial ratings.

The 2026 General fund budget increased by \$46.7 to \$943.5 and reflects a 5.2 percent increase from fiscal year 2025. The two largest revenue sources in the General fund are property tax and sales tax which comprise approximately 68.7 percent of total revenue.

The following are highlights for the 2026 budgets for the business-type activities:

- The Water and Sewer budget is \$275.4, a 10.5 percent increase over 2025, and includes an increase of \$14.5 to update funding to more accurately reflect operational needs in contracted services, maintenance materials and supplies, chemicals for treatment, and energy utilities.
- The Storm Water budget is \$34.7, a 5.6 percent increase from 2025 and includes an increase of \$7.0 to adjust cash transfers to capital projects based on Storm Water's financial planning and capital project schedule.
- The Airport budget is \$295.6, a 9.3 percent increase from 2025. This restores funding to reflect the return of passengers and to respond to inflationary pressures. There is also an increase of \$11.2 to provide support for increases in costs of goods and services across the aviation department.
- The Public Transit budget is \$264.7, a 1.4 percent increase over 2025, and includes an increase of \$6.9 to provide funds needed to support increased salary and benefit for general employees and Law Enforcement Officers.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide residents, taxpayers, customers, investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability. Questions concerning this report or requests for additional financial information should be directed to the City of Charlotte's Finance Department, 600 East Fourth Street, Charlotte, NC 28202-2848.





Basic Financial Statements

Annual Comprehensive Financial Report 2025

CITY OF CHARLOTTE, NORTH CAROLINA
STATEMENT OF NET POSITION
June 30, 2025
(Dollar Amounts in Thousands)

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Charlotte Regional Visitors Authority
Assets:				
Cash, cash equivalents and investments	\$ 1,023,078	\$ 1,703,424	\$ 2,726,502	\$ 54,380
Receivables, net	26,474	142,648	169,122	4,178
Lease receivables, net	10,195	139,734	149,929	861
Due from other governmental agencies	137,046	135,098	272,144	3,274
Due from component unit	1,811	—	1,811	—
Due from primary government	—	—	—	1,181
Internal balances	22,352	(22,352)	—	—
Inventories	1,429	19,132	20,561	861
Prepaid items	11,292	8,734	20,026	1,481
Restricted assets:				
Temporarily restricted-				
Cash and cash equivalents	43	221,190	221,233	—
Investments	89,244	495,335	584,579	—
Permanently restricted-				
Cash, cash equivalents and investments	3,581	—	3,581	—
Notes receivable	275,497	—	275,497	—
Restricted Net OPEB asset (Note 5.f.)	—	38,738	38,738	—
Capital assets (Note 4.f.)				
Land	4,071,654	697,493	4,769,147	—
Buildings, improvements, infrastructure, intangibles, and machinery and equipment, net of depreciation	2,977,010	10,519,990	13,497,000	—
Construction in progress	208,813	453,569	662,382	—
Right to use lease assets, net of amortization	15,250	14,144	29,394	3,877
Right to use SBITA assets, net of amortization	67,142	6,512	73,654	800
Total assets	8,941,911	14,573,389	23,515,300	70,893
Deferred Outflows Of Resources:				
Pension deferrals (Note 5)	485,288	45,880	531,168	6,458
OPEB deferrals (Note 5.f.)	12,544	1,514	14,058	1,608
Contributions to pension plan in current fiscal year (Note 5)	89,926	30,147	120,073	3,531
Accumulated decrease in fair value of hedging derivatives	3,069	—	3,069	—
Loss on refundings	433	9,233	9,666	—
Unamortized bond refunding charges	74	2,255	2,329	—
Total deferred outflows of resources	591,334	89,029	680,363	11,597



CITY OF CHARLOTTE, NORTH CAROLINA
STATEMENT OF NET POSITION-(Continued)
June 30, 2025
(Dollar Amounts in Thousands)

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Charlotte Regional Visitors Authority
Liabilities:				
Accounts payable/claims payable	\$ 181,519	\$ 135,589	\$ 317,108	\$ 13,578
Deposits and retainage payable	13,433	32,848	46,281	4,750
Accrued interest payable	13,821	46,324	60,145	—
Due to component unit	1,130	51	1,181	—
Due to primary government	—	—	—	1,811
Unearned revenues	18,134	16,071	34,205	121
Liabilities payable from restricted assets	31,080	170,083	201,163	—
Noncurrent liabilities:				
Due within one year	176,605	129,489	306,094	—
Due after one year-				
Pension liability (Note 5)	951,834	147,435	1,099,269	17,660
Net OPEB liability (Note 5.f.)	210,614	861	211,475	20,744
Bonds, notes, claims and compensated absences	1,794,125	4,982,023	6,776,148	13,334
Total liabilities	3,392,295	5,660,774	9,053,069	71,998
Deferred Inflows Of Resources:				
Leases	9,350	130,416	139,766	891
Prepaid taxes	748	—	748	—
Pension deferrals (Note 5)	347,855	2,925	350,780	162
OPEB deferrals (Note 5.f.)	59,260	7,153	66,413	3,375
Gain on refundings	33,083	42,680	75,763	—
Total deferred inflows of resources	450,296	183,174	633,470	4,428
Net Position:				
Net investment in capital assets	5,440,223	6,715,285	12,155,508	—
Restricted for:				
State statute	98,176	—	98,176	—
Debt service	—	157,210	157,210	—
Perpetual care - Nonexpendable	3,581	—	3,581	—
Public safety	48,213	—	48,213	—
Cultural and recreation	321,209	—	321,209	—
Community planning and development	50,935	—	50,935	—
Streets and highways	4,066	—	4,066	—
Passenger facility charges	—	145,138	145,138	—
Contract facility charges	—	18,533	18,533	—
Airport working capital	—	72,243	72,243	—
Net OPEB asset (Note 5.f.)	—	38,295	38,295	—
Unrestricted (deficit)	(275,749)	1,671,766	1,396,017	6,064
Total net position	\$ 5,690,654	\$ 8,818,470	\$ 14,509,124	\$ 6,064

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





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CITY OF CHARLOTTE, NORTH CAROLINA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025
(Dollar Amounts in Thousands)

Activities	Expenses	Program Revenues		
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental-				
Public safety	\$ 648,681	\$ 64,618	\$ 40,170	\$ 2,582
Sanitation	102,567	39,576	945	–
General administration	51,899	4,328	2,219	250
Support services	95,922	55,269	–	23
Engineering and property management	40,350	8,661	1,135	243
Streets and highways	374,980	11,614	1,218	248,899
Culture and recreation	73,963	–	3,831	2,151
Community planning and development	89,406	17,389	29,087	2,088
Interest and other charges	54,252	–	–	–
Total governmental	1,532,020	201,455	78,605	256,236
Business-type-				
Water	265,078	243,468	–	68,630
Sewer	285,692	373,055	–	66,284
Storm water	62,682	88,825	–	–
Airport	546,673	615,149	3,983	127,716
Public transit	316,054	14,927	110,429	6,518
Total business-type	1,476,179	1,335,424	114,412	269,148
Total primary government	\$ 3,008,199	\$ 1,536,879	\$ 193,017	\$ 525,384
Component Unit:				
Charlotte Regional Visitors Authority	\$ 113,381	\$ 66,786	\$ –	\$ –
General revenues:				
Taxes-				
Property				
Utility franchise				
Occupancy				
Prepared foods				
Business privilege				
Municipal vehicle				
Intergovernmental-				
Sales				
Sales, levied for Public transit				
Payment from City of Charlotte				
Grants and contributions not restricted to specific programs				
Investment earnings				
Miscellaneous				
Transfers				
Total general revenues and transfers				
Change in net position				
Net position - beginning, as previously reported				
Change in accounting principle				
Net position - beginning, restated				
Net position - ending				

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



Net (Expense) Revenue and Changes in Net Position				
Primary Government			Component Unit	
Governmental Activities	Business-type Activities	Total	Charlotte Regional Visitors Authority	
\$ (541,311)	\$ —	\$ (541,311)	\$	—
(62,046)	—	(62,046)		—
(45,102)	—	(45,102)		—
(40,630)	—	(40,630)		—
(30,311)	—	(30,311)		—
(113,249)	—	(113,249)		—
(67,981)	—	(67,981)		—
(40,842)	—	(40,842)		—
(54,252)	—	(54,252)		—
(995,724)	—	(995,724)		—
—	47,020	47,020		—
—	153,647	153,647		—
—	26,143	26,143		—
—	200,175	200,175		—
—	(184,180)	(184,180)		—
—	242,805	242,805		—
(995,724)	242,805	(752,919)		—
—	—	—		(46,595)
637,370	—	637,370		—
63,917	—	63,917		—
84,783	—	84,783		—
53,334	—	53,334		—
8	—	8		—
19,576	—	19,576		—
207,840	—	207,840		—
—	161,999	161,999		—
—	—	—		43,749
36,776	—	36,776		—
48,670	102,138	150,808		1,866
1,255	1,418	2,673		160
(27,315)	27,315	—		—
1,126,214	292,870	1,419,084		45,775
130,490	535,675	666,165		(820)
5,571,548	8,288,234	13,859,782		6,884
(11,384)	(5,439)	(16,823)		—
5,560,164	8,282,795	13,842,959		6,884
\$ 5,690,654	\$ 8,818,470	\$ 14,509,124	\$	6,064



CITY OF CHARLOTTE, NORTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2025
(Dollar Amounts in Thousands)

	General	Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
Assets:					
Cash, cash equivalents and investments	\$ 210,962	\$ 161,562	\$ 179,953	\$ 362,600	\$ 915,077
Receivables, net:					
Property taxes	7,138	1,808	239	126	9,311
Accounts	5,245	—	30	—	5,275
Lease receivable	10,188	—	7	—	10,195
Other	42	—	—	109	151
Total receivables	22,613	1,808	276	235	24,932
Due from other governmental agencies	70,333	9,587	26,644	29,107	135,671
Due from other funds	—	9,408	—	—	9,408
Due from component unit	—	1,513	298	—	1,811
Inventories	—	—	1,429	—	1,429
Prepaid items	187	—	10,034	63	10,284
Restricted assets:					
Cash and cash equivalents	—	—	43	—	43
Investments	—	65	56,772	32,407	89,244
Total restricted assets	—	65	56,815	32,407	89,287
Notes receivable	8,000	—	237,574	29,923	275,497
Total assets	\$ 312,095	\$ 183,943	\$ 513,023	\$ 454,335	\$ 1,463,396
Liabilities, deferred inflows of resources and fund balances					
Liabilities:					
Accounts payable	\$ 44,490	\$ 7,340	\$ 21,792	\$ 6,613	\$ 80,235
Deposits and retainage payable	7,676	—	5,611	146	13,433
Due to other funds	—	—	6,226	3,550	9,776
Due to component unit	—	—	32	1,098	1,130
Unearned revenues	—	—	—	18,134	18,134
Liabilities payable from restricted assets	—	—	31,080	—	31,080
Total liabilities	52,166	7,340	64,741	29,541	153,788
Deferred inflows of resources:					
Leases	9,341	—	9	—	9,350
Prepaid taxes	748	—	—	—	748
Unavailable revenues	10,677	3,320	567	257	14,821
Total deferred inflows of resources	20,766	3,320	576	257	24,919
Fund balances:					
Nonspendable:					
Inventories	—	—	1,429	—	1,429
Leases	889	—	—	—	889
Perpetual care	—	—	—	3,581	3,581
Prepaid items	187	—	10,034	63	10,284
Long-term notes receivable	8,000	—	—	—	8,000
Restricted:					
State statute	79,116	19,060	—	—	98,176
Other purposes (Note 1.d.(9))	—	—	—	424,423	424,423
Capital Projects	—	—	56,815	—	56,815
Committed:					
Capital Projects	11	—	379,428	—	379,439
Debt service	—	95,625	—	—	95,625
Assigned:					
Debt service	—	58,598	—	—	58,598
Other purposes (Note 1.d.(9))	—	—	—	—	—
Unassigned (Note 1.d.(9))	150,960	—	—	(3,530)	147,430
Total fund balances	239,163	173,283	447,706	424,537	1,284,689
Total liabilities, deferred inflows of resources and fund balances	\$ 312,095	\$ 183,943	\$ 513,023	\$ 454,335	\$ 1,463,396

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

CITY OF CHARLOTTE, NORTH CAROLINA
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
June 30, 2025
(Dollar Amounts in Thousands)

Total fund balances for governmental funds	\$ 1,284,689
Total net position reported for governmental activities in the statement of net position is different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	7,256,368
Right to use lease assets used in governmental activities are not financial resources and therefore are not reported in the funds	15,236
Right to use SBITA assets used in governmental activities are not financial resources and therefore are not reported in the funds	66,815
Contributions to pension plans in the current fiscal year are deferred outflows of resources	88,275
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds	24,439
Deferred outflows and inflows related to changes in noncurrent liabilities are neither financial resources nor due and payable in the current period and therefore are not reported in the funds	(29,507)
Internal service funds are used to charge the costs of insured and uninsured risks of loss as well as employee health and life claims to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position	30,099
Noncurrent liabilities are not due and payable in the current period and, therefore, are not reported in the funds (Note 2.a.)	(1,981,347)
Net pension liability	(943,764)
Pension related deferrals	135,083
Net OPEB liability	(209,327)
OPEB related deferrals	(46,405)
Total net position of governmental activities	<u>\$ 5,690,654</u>

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

Basic Financial Statements

CITY OF CHARLOTTE, NORTH CAROLINA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2025

(Dollar Amounts in Thousands)

	General	Debt Service	Capital Projects	Moved to Non-Major General COVID Relief	Other Governmen tal Funds	Total Governmen tal Funds
Revenues:						
Property taxes	\$ 479,688	\$ 125,307	\$ 21,142	\$ —	\$ 10,577	\$ 636,714
Other taxes	1,520	—	16,996	—	143,898	162,414
Intergovernmental	267,896	33,777	39,822	—	98,916	440,411
Licenses, fees and fines	58,890	—	16,358	—	7,841	83,089
Investment earnings	9,775	5,084	12,710	—	18,165	45,734
Administrative charges	69,573	—	—	—	4,395	73,968
Charges for current services	14,907	—	—	—	1,333	16,240
Miscellaneous	3,124	157	813	—	1,225	5,319
Private contributions	60	—	1,560	—	5,096	6,716
Total revenues	905,433	164,325	109,401	—	291,446	1,470,605
Expenditures:						
Current-						
Public safety	537,546	—	—	—	46,693	584,239
Sanitation	90,129	—	—	—	250	90,379
General administration	59,394	—	—	—	5,461	64,855
Support services	53,787	—	—	—	7,400	61,187
Engineering and property management	21,779	—	—	—	91	21,870
Streets and highways	47,892	—	—	—	17,311	65,203
Culture and recreation	—	—	—	—	50,529	50,529
Community planning and development	53,025	691	—	—	57,747	111,463
Debt service-						
Principal	11,109	110,370	25,374	—	210	147,063
Interest and other charges	614	71,636	479	—	3	72,732
Capital outlay	—	—	495,735	—	—	495,735
Total expenditures	875,275	182,697	521,588	—	185,695	1,765,255
Excess (deficiency) of revenues over (under) expenditures	30,158	(18,372)	(412,187)	—	105,751	(294,650)
Other financing Sources (Uses):						
Proceeds from sales of capital assets	812	—	—	—	962	1,774
Capital-related debt issued	—	213	271,675	—	—	271,888
Refunding bonds issued	—	59,995	—	—	—	59,995
Premium on debt issuance	—	6,236	—	—	—	6,236
Payment to refunded bond escrow agent	—	(65,753)	—	—	—	(65,753)
Lease liabilities issued	1,008	—	—	—	—	1,008
SBITA liabilities issued	4,669	—	22,776	—	—	27,445
Transfers in	2,053	92,626	130,066	—	41,830	266,575
Transfers out	(44,444)	(92,063)	(98,163)	—	(71,728)	(306,398)
Total other financing sources (uses)	(35,902)	1,254	326,354	—	(28,936)	262,770
Net change in fund balances	(5,744)	(17,118)	(85,833)	—	76,815	(31,880)
Fund balances - beginning, as previously reported	244,907	190,401	533,539	(3,550)	351,272	1,316,569
Change within financial reporting entity (major to nonmajor fund)	—	—	—	3,550	(3,550)	—
Fund balances - beginning, restated	244,907	190,401	533,539	—	347,722	1,316,569
Fund balances - ending	\$ 239,163	\$ 173,283	\$ 447,706	\$ —	\$ 424,537	\$ 1,284,689

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



CITY OF CHARLOTTE, NORTH CAROLINA

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025
(Dollar Amounts in Thousands)**

Net change in fund balances - total governmental funds	\$ (31,880)
The change in net position reported for governmental activities in the statement of activities is different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation and amortization expense. This is the amount by which capital outlays exceeded depreciation and amortization expense in the current period. (Note 2.b.)	99,264
Contributions to the pension plan in the current fiscal year are not included on the statement of activities.	88,275
The net effect of various miscellaneous transactions involving capital assets (ie, sales and donations) is to decrease net position. (Note 2.b.)	214,285
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(2,165)
The issuance of long-term debt (eg, bonds and installment purchases) 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 in the government-wide statements. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is 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. (Note 2.b.)	(138,573)
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. (Note 2.b.)	(106,058)
Internal service funds are used to charge the costs of insured and uninsured risks of loss as well as employee health and life claims to individual funds. The net revenue of certain activities of the internal service funds is reported with governmental activities.	7,342
Change in net position of governmental activities.	<u>\$ 130,490</u>

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



CITY OF CHARLOTTE, NORTH CAROLINA
STATEMENT OF BUDGETARY COMPARISON (NON-GAAP BASIS)
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2025
(Dollar Amounts in Thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	(Budgetary Basis)	Final Budget Positive (Negative)
Revenues:				
Property taxes	\$ 475,201	\$ 475,201	\$ 479,688	\$ 4,487
Sales tax	153,054	153,054	148,987	(4,067)
Other taxes	1,683	1,683	1,520	(163)
Utilities sales tax	57,385	57,385	63,917	6,532
CATV franchises	6,160	6,160	5,379	(781)
Other intergovernmental	49,965	51,815	49,613	(2,202)
Refuse fees	39,598	39,598	39,240	(358)
Other licenses, fees and fines	16,834	16,834	19,650	2,816
Investment earnings	4,500	6,200	9,775	3,575
Administrative charges	67,841	69,091	69,573	482
Charges for current services	20,845	20,844	16,082	(4,762)
Miscellaneous	2,388	2,388	2,977	589
Sales of capital assets	975	975	812	(163)
Transfers in-				
Debt service	—	—	—	—
Capital projects	—	—	1,659	1,659
Special Revenue:				
Convention Center tax	250	250	250	—
Perpetual Care	86	144	144	—
Total transfers in	336	394	2,053	1,659
Resources available for appropriation	896,765	901,622	909,266	\$ 7,644
Fund balance appropriated (contributed)	—	23,425	11,853	
Total amounts available for appropriation	\$ 896,765	\$ 925,047	\$ 921,119	
Expenditures:				
Public safety	\$ 559,368	\$ 540,901	\$ 540,901	\$ —
Sanitation	89,936	93,208	92,809	399
General administration	60,434	61,378	61,243	135
Support services	56,859	57,436	57,089	347
Engineering and property management	21,285	24,940	22,050	2,890
Streets and highways	48,185	48,624	48,519	105
Community planning and development	57,547	56,172	54,064	2,108
Transfers out-				
Debt Service	—	—	—	—
Capital Projects	944	14,818	14,818	—
Special Revenue:				
State Street Aid	514	514	514	—
Tourism	1,261	1,261	1,261	—
Public Safety and Other Grants	432	432	432	—
Public Safety Communications	—	—	—	—
American Rescue Plan Act	—	25,363	25,363	—
Fleet management	—	—	2,056	(2,056)
Total transfers out	3,151	42,388	44,444	(2,056)
Total charges to appropriations	\$ 896,765	\$ 925,047	\$ 921,119	\$ 3,928

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

CITY OF CHARLOTTE, NORTH CAROLINA

RECONCILIATION OF THE STATEMENT OF BUDGETARY COMPARISON TO THE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GENERAL FUND

FOR THE YEAR ENDED JUNE 30, 2025

(Dollar Amounts in Thousands)

Sources (inflows) of resources:

Actual amounts (budgetary basis) "available for appropriation" from the statement of budgetary comparison	\$	921,119
Differences - budget to GAAP:		
Contributed fund balance is a budgetary resource available for appropriation but is not a current-year revenue for financial reporting purposes.		(11,853)
The difference between lease revenue as measured under GASB 87 and rent revenue received according to the terms of lessor lease agreements is included as an adjustment to charges for current services for financial reporting purposes.		(1,175)
Interest revenue recognized on the GASB 87 lease receivable is included as miscellaneous revenue for financial reporting purposes.		207
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes.		(2,053)
Proceeds from the sale of salvage and land are budgetary resources but are regarded as other financing resources, rather than revenue, for financial reporting purposes.		(812)
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	\$	<u>905,433</u>

Uses (outflows) of resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the statement of budgetary comparison	\$	921,119
Differences - budget to GAAP:		
The difference between lease capital outlay as measured by GASB 87 and lease expense paid according to the terms of lessee lease agreements is included as an adjustment to expenditures by function for reporting purposes		(1,025)
The difference between SBITA capital outlay as measured by GASB 96 and SBITA expense paid according to the terms of SBITA agreements is included as an adjustment to expenditures by function for reporting purposes		(5,021)
Principal and interest portions of GASB 87 lease payments and GASB 96 SBITA payments are included within Debt service - Principal and Debt service - Interest and other charges for financial reporting purposes.		11,723
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		(7,077)
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes.		(44,444)
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	\$	<u>875,275</u>

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



Basic Financial Statements

CITY OF CHARLOTTE, NORTH CAROLINA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2025
(Dollar Amounts in Thousands)

	Business-type Activities -		
	Water and Sewer	Storm Water	Airport
Assets:			
Current assets:			
Cash, cash equivalents and investments	\$ 414,244	\$ 96,371	\$ 1,006,638
Receivables, net-			
Accounts	62,609	14,674	42,702
Lease receivable	295	—	17,629
Other	3,937	948	13,678
Total receivables	66,841	15,622	74,009
Due from other governmental agencies	25,510	387	43,210
Due from other funds	307	—	61
Prepaid items	46	—	7,708
Inventories	3,276	—	—
Restricted assets-			
Cash and cash equivalents	70	14	221,106
Investments	5,981	—	489,354
Total restricted assets	6,051	14	710,460
Total current assets	516,275	112,394	1,842,086
Noncurrent assets:			
Lease receivable	2,348	—	112,780
Net OPEB asset	27,817	—	10,478
Capital assets-			
Land	72,946	1,530	444,439
Buildings	112,592	—	1,609,148
Improvements other than buildings:			
Water and sewer systems	8,207,502	—	—
Storm water systems	—	1,309,478	—
Runways	—	—	713,593
Transit corridors	—	—	—
Other	—	—	1,433,274
Total improvements other than buildings	8,207,502	1,309,478	2,146,867
Intangibles	77,958	3,619	20,152
Machinery and equipment	108,668	1,855	235,882
Construction in Progress	38,215	47,911	269,283
Right to use lease assets	4,266	60	1,447
Right to use SBITA assets	5,293	—	8,772
Total capital assets	8,627,440	1,364,453	4,735,990
Less accumulated depreciation	2,856,326	193,349	1,440,665
Less accumulated right to use lease asset amortization	1,062	37	695
Less accumulated right to use SBITA asset amortization	2,705	—	5,400
Total capital assets, net	5,767,347	1,171,067	3,289,230
Total noncurrent assets	5,797,512	1,171,067	3,412,488
Total assets	6,313,787	1,283,461	5,254,574
Deferred Outflows of Resources:			
Pension deferrals	16,955	4,346	14,365
OPEB deferrals	752	148	360
Contributions to pension plan in current fiscal year	11,140	2,856	9,439
Loss on refundings	9,233	—	—
Unamortized bond refunding charges	1,985	—	270
Total deferred outflows of resources	40,065	7,350	24,434

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

Enterprise Funds		Governmental Activities-	
Public Transit	Total	Internal Service Funds	
\$ 186,171	\$ 1,703,424	\$	111,582
1,694	121,679		—
518	18,442		—
2,406	20,969		2,119
4,618	161,090		2,119
65,991	135,098		1,375
—	368		—
980	8,734		1,008
15,856	19,132		—
—	221,190		—
—	495,335		—
—	716,525		—
273,616	2,744,371		116,084
6,164	121,292		—
443	38,738		—
178,578	697,493		—
410,769	2,132,509		85
—	8,207,502		—
—	1,309,478		—
—	713,593		—
1,018,502	1,018,502		—
49,906	1,483,180		—
1,068,408	12,732,255		—
24,765	126,494		—
524,057	870,462		2,150
98,160	453,569		—
13,795	19,568		37
1,668	15,733		429
2,320,200	17,048,083		2,701
851,390	5,341,730		1,126
3,630	5,424		23
1,116	9,221		102
1,464,064	11,691,708		1,450
1,470,671	11,851,738		1,450
1,744,287	14,596,109		117,534
10,214	45,880		2,511
254	1,514		83
6,712	30,147		1,651
—	9,233		—
—	2,255		—
17,180	89,029		4,245

Continued on next page



Basic Financial Statements

CITY OF CHARLOTTE, NORTH CAROLINA
STATEMENT OF NET POSITION-(Continued)
PROPRIETARY FUNDS
June 30, 2025
(Dollar Amounts in Thousands)

	Business-type Activities -		
	Water and Sewer	Storm Water	Airport
Liabilities:			
Current liabilities:			
Accounts payable	\$ 43,515	\$ 8,808	\$ 59,404
Claims payable	—	—	—
Deposits and retainage payable	26,052	4,599	1,587
Accrued interest payable	44,598	1,018	56
Due to component unit	—	—	51
Unearned revenues	16,064	—	7
Current maturities of noncurrent liabilities	95,842	11,917	6,352
Current liabilities payable from restricted assets-			
Accounts payable	802	—	49,341
Deposits and retainage payable	—	—	37,972
Accrued interest payable	—	—	35,185
Arbitrage payable	—	—	1,544
Revenue bonds payable	—	—	45,239
Total current liabilities payable from restricted assets	802	—	169,281
Total current liabilities	226,873	26,342	236,738
Noncurrent liabilities:			
Revenue bonds payable - net of unamortized premium	2,056,011	317,069	1,939,926
Revenue bond anticipation notes payable	301,506	—	23,106
Installment purchases - net of unamortized premium	9,895	172	—
Federal revolving loan payable	—	382	—
State revolving loan payable	88,264	—	—
Refundable water and sewer construction deposits	1,334	—	—
Due to participants	—	—	—
Lease payable	2,842	14	577
SBITA payable	830	—	1,290
Compensated absences payable	5,005	955	4,740
Net pension liability	54,483	13,966	46,162
Net OPEB liability	—	861	—
Total noncurrent liabilities	2,520,170	333,419	2,015,801
Total liabilities	2,747,043	359,761	2,252,539
Deferred Inflows Of Resources:			
Leases	2,436	—	121,909
Pension deferrals	1,081	277	916
OPEB deferrals	3,551	700	1,703
Gain on refundings	20,476	9,777	11,239
Total deferred inflows of resources	27,544	10,754	135,767
Net Position:			
Net investment in capital assets	3,152,062	825,102	1,518,433
Restricted for:			
Debt service	—	—	157,210
Passenger facility charges	—	—	145,138
Contract facility charges	—	—	18,533
Working capital	—	—	72,243
Net OPEB asset	27,817	—	10,478
Unrestricted	399,386	95,194	968,667
Total net position	\$ 3,579,265	\$ 920,296	\$ 2,890,702
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.			
Net position of business-type activities			

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



Enterprise Funds		Governmental Activities-	
Public Transit	Total	Internal Service Funds	
\$ 23,862	\$ 135,589	\$ 3,285	
—	—	97,999	
610	32,848	—	
652	46,324	8	
—	51	—	
—	16,071	—	
15,378	129,489	1,049	
—	50,143	—	
—	37,972	—	
—	35,185	—	
—	1,544	—	
—	45,239	—	
—	170,083	—	
40,502	530,455	102,341	
—	4,313,006	—	
—	324,612	—	
222,335	232,402	—	
—	382	—	
—	88,264	—	
—	1,334	—	
—	—	1,292	
115	3,548	9	
115	2,235	203	
5,540	16,240	643	
32,824	147,435	8,070	
—	861	1,287	
260,929	5,130,319	11,504	
301,431	5,660,774	113,845	
6,071	130,416	—	
651	2,925	161	
1,199	7,153	394	
1,188	42,680	—	
9,109	183,174	555	
1,219,688	6,715,285	1,116	
—	157,210	—	
—	145,138	—	
—	18,533	—	
—	72,243	—	
—	38,295	—	
231,239	1,694,486	6,263	
\$ 1,450,927	8,841,190	\$ 7,379	
	(22,720)		
	\$ 8,818,470		



Basic Financial Statements
CITY OF CHARLOTTE, NORTH CAROLINA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2025
(Dollar Amounts in Thousands)

	Business-type Activities -		
	Water and Sewer	Storm Water	Airport
Operating Revenues:			
Charges for services	\$ 473,223	\$ 84,766	\$ 463,215
Availability fees	60,398	—	—
System development fees	76,607	—	—
Licenses, fees and fines	—	4,059	—
Miscellaneous	6,295	—	23,615
Total operating revenues	616,523	88,825	486,830
Operating Expenses:			
Administration	57,108	5,173	56,373
Operations and maintenance	195,794	24,492	193,512
Claims and insurance premiums	—	—	—
Other	1,990	—	38,053
Right to use lease amortization	479	9	196
Right to use SBITA amortization	1,280	—	2,143
Depreciation	206,851	21,467	134,541
Total operating expenses	463,502	51,141	424,818
Operating income (loss)	153,021	37,684	62,012
Nonoperating Revenues (Expenses):			
Sales tax	—	—	—
Grant contributions	—	—	3,983
Passenger facility charges	—	—	106,812
Contract facility charges	—	—	21,507
Investment earnings	16,905	4,741	69,384
Interest expense and other charges	(85,245)	(11,521)	(68,054)
Non-airline terminal revenue distribution	—	—	(53,843)
Miscellaneous	4,670	(158)	(391)
Total nonoperating revenues (expenses)	(63,670)	(6,938)	79,398
Income (loss) before contributions and transfers	89,351	30,746	141,410
Capital Contributions	134,914	—	127,716
Transfers in	—	2,269	—
Transfers out	(3,296)	(770)	(1,402)
Change in net position	220,969	32,245	267,724
Total net position - beginning, as previously reported	3,359,834	888,189	2,624,976
Change in Accounting Principle	(1,538)	(138)	(1,998)
Total net position - beginning, restated	3,358,296	888,051	2,622,978
Total net position - ending	\$ 3,579,265	\$ 920,296	\$ 2,890,702

Adjustments to reflect the consolidation of internal service fund activities related to enterprise funds

Change in net position of business-type activities

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



Enterprise Funds		Governmental Activities-	
Public Transit	Total	Internal Service Funds	
\$ 14,712	\$ 1,035,916	\$ 241,326	
–	60,398	–	
–	76,607	–	
–	4,059	–	
215	30,125	–	
14,927	1,207,105	241,326	
47,823	166,477	49,065	
200,055	613,853	25,802	
–	–	178,751	
–	40,043	–	
311	995	6	
414	3,837	102	
60,757	423,616	281	
309,360	1,248,821	254,007	
(294,433)	(41,716)	(12,681)	
161,999	161,999	–	
110,429	114,412	–	
–	106,812	–	
–	21,507	–	
11,108	102,138	3,917	
(6,487)	(171,307)	–	
–	(53,843)	–	
(2,703)	1,418	–	
274,346	283,136	3,917	
(20,087)	241,420	(8,764)	
6,518	269,148	1,390	
32,151	34,420	12,742	
(1,637)	(7,105)	(234)	
16,945	537,883	5,134	
1,435,747	8,308,746	2,265	
(1,765)	(5,439)	(20)	
1,433,982	8,303,307	2,245	
\$ 1,450,927	\$ 8,841,190	\$ 7,379	
	(2,208)		
	\$ 535,675		

Basic Financial Statements

CITY OF CHARLOTTE, NORTH CAROLINA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2025
(Dollar Amounts in Thousands)

	Business-type Activities -		
	Water and Sewer	Storm Water	Airport
Cash Flows From Operating Activities:			
Receipts from customers	\$ 614,439	\$ 87,764	\$ 502,078
Receipts from participants	–	–	–
Payments to suppliers	(154,992)	(10,579)	(143,768)
Internal activity - (payments to) receipts from other funds	(44,318)	(6,355)	(47,700)
Receipts from trust	–	–	–
Receipts from recovery of losses	–	–	–
Payments to employees	(76,983)	(11,433)	(62,992)
Payments to airlines for non-airline terminal revenue distribution	–	–	(65,229)
Payments for claims	–	–	–
Payments for premiums	–	–	–
Other receipts (payments)	22,750	(158)	(3,742)
Net cash provided (used) by operating activities	360,896	59,239	178,647
Cash Flows From Noncapital Financing Activities:			
Noncapital contributions	–	–	3,983
Sales tax	–	–	–
Transfers	(3,296)	1,499	(1,402)
Net cash provided (used) by noncapital financing activities	(3,296)	1,499	2,581
Cash Flows From Capital And Related Financing Activities:			
Proceeds from capital debt	207,970	199,478	316,792
Passenger facility charges	–	–	107,895
Contract facility charges	–	–	20,790
Acquisition and construction of capital assets	(403,759)	(85,684)	(464,451)
Lease expenses	(432)	(9)	(969)
SBITA expenses	(1,380)	–	(2,488)
Principal paid on capital debt	(82,287)	(206,761)	(95,085)
Interest and other charges paid on capital debt	(84,284)	(13,007)	(76,340)
Capital contributions	9,850	–	115,914
Net cash (used) by capital and related financing activities	(354,322)	(105,983)	(77,942)
Cash Flows From Investing Activities:			
Purchase of investments	(446)	–	(419,795)
Proceeds from sale and maturities of investments	10,635	–	379,506
Interest received	15,769	5,310	71,287
Net cash provided (used) by investing activities	25,958	5,310	30,998
Net increase (decrease) in cash, cash equivalents and investments	29,236	(39,935)	134,284
Cash, cash equivalents and investments - beginning	385,078	136,320	1,093,460
Cash, cash equivalents and investments - ending	\$ 414,314	\$ 96,385	\$ 1,227,744

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



Enterprise Funds		Governmental Activities-	
Public Transit	Total	Internal Service Funds	
\$ 16,075	\$ 1,220,356	\$	–
–	–		66,711
(115,994)	(425,333)		(57,490)
(25,945)	(124,318)		171,289
–	–		29,584
–	–		568
(104,622)	(256,030)		(11,767)
–	(65,229)		–
–	–		(143,769)
–	–		(50,570)
13,011	31,861		32
(217,475)	381,307		4,588
103,923	107,906		–
159,861	159,861		–
30,511	27,312		12,508
294,295	295,079		12,508
–	724,240		–
–	107,895		–
–	20,790		–
(107,239)	(1,061,133)		–
(145)	(1,555)		(6)
(319)	(4,187)		(117)
(9,820)	(393,953)		–
(8,183)	(181,814)		8
2,394	128,158		–
(123,312)	(661,559)		(115)
–	(420,241)		–
–	390,141		–
11,635	104,001		5,171
11,635	73,901		5,171
(34,857)	88,728		22,152
221,028	1,835,886		89,430
\$ 186,171	\$ 1,924,614	\$	111,582

Continued on next page



Basic Financial Statements

CITY OF CHARLOTTE, NORTH CAROLINA
STATEMENT OF CASH FLOWS-(Continued)
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2025
(Dollar Amounts in Thousands)

	Business-type Activities -		
	Water and Sewer	Storm Water	Airport
Reconciliation Of Operating Income (Loss) To Net			
Cash Provided (Used) By Operating Activities:			
Operating income (loss)	\$ 153,021	\$ 37,684	\$ 62,012
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities-			
Depreciation	206,851	21,467	134,541
Amortization	1,759	9	2,339
Other receipts	22,750	(158)	(3,742)
Non-airline terminal revenue distribution	-	-	(65,229)
Change in assets and liabilities:			
(Increase) in receivables	(1,940)	(1,061)	15,248
(Increase) decrease in due from other governmental agencies	(2,236)	(45)	29,281
(Increase) decrease in due from other funds	-	-	-
(Increase) decrease in inventories	(244)	-	-
(Increase) decrease in prepaid items	(46)	-	(184)
(Increase) in deferred outflows of resources for pensions	4,688	975	2,311
(Increase) in net OPEB asset	(2,596)	-	(729)
Decrease in deferred outflows of resources for OPEB	1,387	283	627
Increase (decrease) in accounts payable	(22,468)	(28)	(2,022)
Increase in claims payable	-	-	-
(Decrease) in unearned revenues	-	-	-
(Decrease) in due to participants	-	-	-
Increase (decrease) in deposits and retainage payable	(144)	178	578
(Decrease) in due to component unit	-	-	3
Increase in net pension liability	276	445	2,979
Increase in deferred inflows of resources for pensions	(184)	(38)	(92)
(Decrease) in deferred inflows of resources for OPEB	(1,099)	(236)	(442)
Increase in compensated absences payable	1,121	475	1,168
Increase (decrease) in net OPEB liability	-	(711)	-
Total adjustments	207,875	21,555	116,635
Net cash provided (used) by operating activities	\$ 360,896	\$ 59,239	\$ 178,647
Noncash Investing, Capital And Financing Activities:			
Donated assets	\$ 131,675	\$ -	\$ -
Acquisition of capital assets through leases	-	(9)	6
Acquisition of capital assets through SBITAs	(694)	-	1,088
Proceeds from refunding bonds	-	-	-
Payment to refunded bond escrow agent	-	-	-
Net noncash investing, capital and financing activities	\$ 130,981	\$ (9)	\$ 1,094

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



Enterprise Funds		Governmental Activities-	
Public Transit	Total	Internal Service Funds	
\$ (294,433)	\$ (41,716)	\$	(12,681)
60,757	423,616		281
725	4,832		108
13,011	31,861		-
-	(65,229)		
1,135	13,382		4,513
(1,098)	25,902		(1,357)
-	-		843
(441)	(685)		-
(804)	(1,034)		3
107	8,081		(3,282)
(443)	(3,768)		-
465	2,762		(9)
(970)	(25,488)		1,657
-	-		9,092
-	-		(13)
-	-		(3,515)
13	625		-
-	3		-
4,660	8,360		6,614
(6)	(320)		127
(363)	(2,140)		233
802	3,566		1,289
(592)	(1,303)		685
76,958	423,023		17,269
\$ (217,475)	\$ 381,307	\$	4,588
\$ -	\$ 131,675	\$	-
(144)	(147)		-
-	394		430
-	-		-
-	-		-
\$ (144)	\$ 131,922	\$	430



Basic Financial Statements

CITY OF CHARLOTTE, NORTH CAROLINA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
June 30, 2025
(Dollar Amounts in Thousands)

Assets:	
Cash and cash equivalents	\$ 8,565
Receivables:	
Employer contributions	758
Member contributions	327
Interest and dividends	993
Insurance recovery	64
Total receivables	2,142
Prepaid items	5
Investments:	
Equity securities - stocks	84,888
Fixed income securities - bonds	156,525
Mutual funds	641,554
Total investments	882,967
Capital assets	672
Less accumulated depreciation	632
Total capital assets, net	40
Total assets	893,719
Liabilities:	
Accounts payable	1,044
Total liabilities	1,044
Net Position:	
Restricted for:	
Pensions	712,325
OPEB	180,350
Total net position	\$ 892,675

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



CITY OF CHARLOTTE, NORTH CAROLINA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2025
(Dollar Amounts in Thousands)

Additions:

Contributions-	
Member	\$ 14,539
Employer	38,834
Total contributions	53,373
Investment income-	
Net appreciation in fair value of investments	91,576
Interest	6,529
Dividends	4,081
Total investment income	102,186
Investment expense	3,124
Net investment income	99,062
Insurance recovery	50
Total additions	152,485

Deductions:

Benefits	61,310
Refunds	838
Insurance premiums	6,831
Administration	3,336
Depreciation	17
Total deductions	72,332
Change in net position	80,153
Net position - beginning	812,522
Net position - ending	\$ 892,675

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





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Notes to the Financial Statements

Annual Comprehensive Financial Report 2025

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the City of Charlotte and its discretely presented component unit 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 City of Charlotte (City) is a municipal corporation that is governed by an elected mayor and eleven-member council. As required by generally accepted accounting principles, these financial statements present the City and its two component units, entities for which the City is financially accountable. The Charlotte Firefighters' Retirement System (System) is so intertwined with the City that it is, in substance, the same as the City. Accordingly, the System is blended and reported as a Fiduciary Fund as if it was part of the City. The Charlotte Regional Visitors Authority (Authority) is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the City.

The following table describes the City's component units:

Component Unit	Criteria for Inclusion	Reporting Method	Separate Financial Statements
Charlotte Firefighters' Retirement System	The System provides retirement, disability and death benefits to civil service employees of the Charlotte Fire Department. These services are exclusively for the City.	Fiduciary Fund	Charlotte Firefighters' Retirement System 428 East Fourth Street, Suite 205 Charlotte, North Carolina 28202
Charlotte Regional Visitors Authority	A "special district" as defined by state statutes. The City Council appoints the governing board and the City pays outstanding general obligation bonded debt. Net operating proceeds are to be used to pay principal and interest on the bonded debt or as otherwise directed by City Council.	Discrete	Charlotte Regional Visitors Authority 501 South College Street Charlotte, North Carolina 28202

Transit Management of Charlotte (TMO) is a legally separate entity reported as a blended component unit of the City. As such, its financial activities are included in the City's enterprise funds.

INLIVIAN (formerly The Charlotte Housing Authority), which is excluded from the City's financial statements, is considered a related organization. The City Council appoints the governing board; however, the City has no financial benefit or burden regarding INLIVIAN.

b. Basis of Presentation

Government-wide Statements: The statement of net position and the statement of activities display information about the primary government (the City) and its component unit. These statements include the financial activities of the overall government, except for fiduciary activities. These statements distinguish between the governmental and business-type activities of the City as well as the City and its discretely presented component unit. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

(Dollar Amounts in Thousands)

The statement of activities presents a comparison between direct expenses and program revenues for a given function or activity. Direct expenses are those that are clearly identifiable with a specific program. Program revenues include (a) charges paid by recipients of goods or services offered by the program and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues not classified as program revenues, including all taxes, are reported as general revenues.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are certain charges between the City's enterprise functions and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds, 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. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

The City reports the following major governmental funds:

General Fund: This is the City's primary operating fund. The General Fund accounts for all financial resources of the general government, except those that are required to be accounted for in another fund.

Debt Service: This fund accounts for the resources accumulated and payments made for principal and interest on debt of governmental activities.

Capital Projects: This fund accounts for financial resources, primarily proceeds from bonds, other financing agreements and taxes, used for the acquisition, construction and improvement of capital equipment and facilities.

The City reports the following major enterprise funds:

Water and Sewer: This fund accounts for the activities of Charlotte Water, provider of water and sewer services.

Storm Water: This fund accounts for the activities of Storm Water Services, administrator of storm water programs and policies.

Airport: This fund accounts for the activities of the Charlotte Douglas International Airport.

Public Transit: This fund accounts for the activities of the Charlotte Area Transit System, provider of public mass transportation.

The City reports the following fund types:

Internal Service: These funds account for (a) the general insurance program of the City, as well as risk management services provided, on a cost-reimbursement basis, to other governmental units and agencies in Mecklenburg County, and (b) funds contributed by the City and its employees for health and life benefits, and (c) fleet management to account for maintenance, repair, commissioning, and decommissioning services for the city and Mecklenburg County fleet of vehicles..



Fiduciary: These funds account for (a) resources accumulated for the provision of benefit payments to the Charlotte Firefighters' Retirement System members and their beneficiaries, and (b) resources accumulated for the provision of other postemployment benefit payments for retirees and their beneficiaries.

c. Measurement Focus and Basis of Accounting

In accordance with North Carolina General Statutes, all funds of the City are maintained during the year using the modified accrual basis of accounting.

Government-wide, Proprietary, and Fiduciary Fund Financial Statements: The government-wide, proprietary, and fiduciary 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. Nonexchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. 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. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, 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. Issuance of general long-term debt and acquisitions under capital leases are reported as other financing sources.

The City considers all revenues available if they are collected within 90 days after year-end, except for property taxes. Ad valorem taxes receivable are not accrued as revenue because the amount is not susceptible to accrual. At June 30, 2025, taxes receivable for property other than motor vehicles are materially past due and are not considered to be an available resource to finance the operations of the current year.

Sales taxes and certain intergovernmental revenues, such as the beer and wine tax, collected and held by the State at year-end on behalf of the City are recognized as revenue. Sales taxes are considered a shared revenue for the City because the tax is levied by Mecklenburg County and then remitted to and distributed by the State. Most intergovernmental revenues and sales and services are not susceptible to accrual because generally they are not measurable until received in cash. All taxes, including those dedicated for specific purposes, are reported as general revenues rather than program revenues.

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

(Dollar Amounts in Thousands)

d. Assets, Deferred Outflows and Inflows, Liabilities and Net Position/Fund Balances

(1) Cash and Investments

The City maintains a cash management pool to facilitate disbursement and investment and maximize investment income. Earnings on the pooled funds are apportioned and credited to the funds monthly based on the average daily balance of each fund. Since individual funds may deposit additional amounts at any time and may withdraw funds at any time without prior notice or penalty, the pool is used essentially as a demand deposit account and considered cash and cash equivalents. The pool is used by all funds except the Firefighters' Retirement System Fund. For arbitrage purposes, the City also maintains separate pools for the proceeds of each bond sale subsequent to 1986 in compliance with the Internal Revenue Code relative to yield restrictions and rebate requirements.

For funds not included in the pools described above, cash and cash equivalents consist of cash, demand deposits, and short-term, highly liquid investments. Short-term refers to investments with an original maturity of three months or less at date of acquisition. Highly liquid investments are those that are both readily convertible to known amounts of cash and so near their maturity that the risk of changes in value because of changes in interest rates is insignificant.

The restricted cash and cash equivalents/investments are restricted pursuant to bond covenants and other financing agreements. All restricted money market funds of the enterprise funds are considered cash and cash equivalents. The remaining amount of restricted assets is considered investments.

The NCCMT Government Portfolio, a SEC-registered (2a-7) money market mutual fund, is measured at fair value. Because the NCCMT Government Portfolio has a weighted average maturity of less than 90 days, they are presented as an investment with a maturity of less than 6 months.

The North Carolina Cooperative Liquid Assets Securities System (NC CLASS) and North Carolina Investment Pool (NCIP) are investment pools created by an interlocal agreement and an indenture of trust pursuant to N.C.G.S. Section 159-30(c)(10). Funds of the participants are invested in high-quality, short-term fixed income instruments and are rated 'AAA' by S&P Global Ratings. These investments are measured at amortized cost (net asset value), which approximates fair value. Because the pools have a weighted average maturity of no more than 60 days, they are presented as investments with a maturity of less than six months.

Money market investments that have a remaining maturity at the time of purchase of one year or less are reported at amortized cost. Non-participating interest earning investment contracts are reported at cost.

Investments of the Charlotte Firefighters' Retirement System are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Mortgages are valued on the basis of future principal and interest payments and are discounted at prevailing interest rates for similar instruments. The fair value of real estate investments is based on independent appraisals. Investments that do not have an established market are reported at estimated fair values.

Component Unit: The Authority considers investments with an original maturity of three months or less to be cash equivalents.

(2) Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Property tax and accounts receivables are shown net of an allowance for uncollectibles. Notes receivable in governmental funds consist of housing rehabilitation and economic development loans that are generally not expected or scheduled to be collected in the subsequent year.

(3) Lease Receivables

The City's lease receivables are measured at the present value of lease payments expected to be received during the lease term. Under the lease agreements, the City may receive variable lease payments that are dependent upon the lessee's revenue. The variable payments are recorded as an inflow of resources in the period the payment is received.

A deferred inflow of resources is recorded for the lease. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is recognized on a straight-line basis over the term of the lease.

(4) Inventory and Prepaid Items

Inventories are valued at cost (first-in, first-out), which approximates market. Governmental inventory consists of expendable supplies that are recorded as expenditures as used rather than when purchased.

Business-type inventories consist of materials and supplies held for subsequent use. The cost of these inventories is expensed when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements and expensed as the items are used.

(5) Capital Assets

Donated capital assets are recorded at acquisition value. All other purchased or constructed capital assets are reported at cost or estimated historical cost. General infrastructure assets are reported at estimated historical cost using deflated replacement cost. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized.

Capital assets are assets with an initial, individual cost of \$5 or more, except intangible assets and subscription-based information technology arrangements which have a minimum cost of \$100. Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Buildings	20 – 50 years
Infrastructure	40 years
Improvements other than buildings	5 – 125 years
Intangibles	5 – 20 years
Machinery and equipment	3 – 40 years

The right to use lease assets are initially measured at an amount equal to the present value of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right to use lease assets are amortized on a straight-line basis over the life of the related lease.

The right to use Subscription-Based Information Technology Arrangement (SBITA) assets are initially measured at an amount equal to the present value of the SBITA liability plus any SBITA payments made at the start of the SBITA term, if applicable, plus capitalizable initial implementation costs at the start of the SBITA term, less any incentives received from the SBITA vendor at the start of the SBITA term. The right to use SBITA assets are amortized on a straight-line basis over the SBITA term.

(6) Deferred Outflows and Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. The Deferred Outflows of Resources financial statement element represents a consumption of net assets that applies to a future period and so will not be recognized as an expense or expenditure until then.

(Dollar Amounts in Thousands)

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. The Deferred Inflows of Resources financial statement element represents an acquisition of net assets that applies to a future period and so will not be recognized as revenue until then.

(7) Noncurrent Liabilities

In the government-wide and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary funds statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable premium or discount. Bond issuance costs are expensed in the reporting period in which they are incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from actual debt proceeds received, are reported as debt service expenditures.

The City enters into interest rate swap agreements to modify interest rates on outstanding debt. The swaps are reported at fair value in the government-wide and proprietary fund financial statements.

(8) Compensated Absences

For the year ended June 30, 2025, the financial statements include the adoption of GASB Statement 101, compensated absences. Employees earn vacation leave at the rate of 10 to 20 days per year and can accrue a maximum of 20 to 40 days, depending on the length of service. Effective January 1, 2016, vacation in excess of the maximum accumulation is transferred into the employee's wellbeing leave balance. Unused vacation days are payable upon termination, resignation, retirement, or death. A liability is accrued for earned leave that carries over and is more likely than not to be used or paid out. The City used the last-in, first-out (LIFO) flow assumption method to calculate the liability for compensated absences.

The City's wellbeing leave policy provides for unlimited accumulation of wellbeing leave. This leave is earned at the rate of one day per month. Wellbeing leave can be taken for the physical or mental health care of the employee or family member. Wellbeing leave is lost upon termination or resignation, unless the employee retires and immediately begins drawing a retirement benefit. Employees may be paid twenty percent of outstanding wellbeing leave, with a maximum of 43.5 days, upon retirement. Twenty percent of outstanding wellbeing leave, up to a maximum of 43.5 days is payable upon the death of an employee.

Compensated absences payable includes accumulated unpaid vacation leave and wellbeing leave. The government-wide and proprietary fund financial statements have been restated in fiscal year 2025 due to the implementation of GASB 101.

(9) Net Position/Fund Balances

Net Position: Net position in government-wide and proprietary fund financial statements are classified as net investment in capital assets, restricted, and unrestricted. Restricted net position represents constraints on resources that are externally imposed by creditors, grantors, contributors, bond covenants, regulations of other governments or by State statute.

Net position in governmental activities is restricted for other purposes as follows:

Public safety	48,213
Culture and recreation	321,209
Community planning and development	50,935
Streets and highways	4,066
Total (Note 1.d.(9a))	<u>\$ 424,423</u>

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

The governmental fund types classify fund 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 - \$1,429 of fund balance that is not an available resource because it represents the year-end balance of ending inventories, which are not spendable resources.

Leases - \$889 of fund balance that is not an available resource because it represents the year-end balance of the lease receivable in excess of the deferred inflow of resources for the lease receivable, which is not a spendable resource.

Perpetual care - \$3,581 of fund balance that is required to be retained in perpetuity for maintenance of cemeteries.

Prepaid items - \$10,284 of fund balance that is not an available resource because it represents the amount of prepaid expenses.

Long-term notes receivable - \$8,000 of fund balance that is not an available resource because it represents the long-term amount of loans and notes receivables.

Restricted fund balance – This classification includes amounts that are restricted to specific purposes externally imposed by creditors or imposed by law.

Restricted for State statute - \$98,176 of fund balance that is not an available resource for appropriation in accordance with State law [G.S.159-8(a)]. North Carolina G.S. 159-8 prohibits units of government from budgeting or spending a portion of their fund balance. This is one of several statutes enacted by the North Carolina State Legislature in the 1930's that were designed to improve and maintain the fiscal health of local government units. Restricted by State statute (RSS), is calculated at the end of each fiscal year for all annually budgeted funds. The calculation in G.S. 159-8(a) provides a formula for determining what portion of fund balance is available for appropriation. The amount of fund balance not available for appropriation is what is known as "restricted by State statute." Appropriated fund balance shall not exceed total cash and investments less liabilities, encumbrances, and deferred revenues arising from cash receipts, as determined at the end of the previous fiscal year budget. Per GASB guidance, RSS is considered a resource upon which a restriction is "imposed by law through constitutional provisions or enabling legislation." RSS is reduced by inventories and prepaids as they are classified as nonspendable. Outstanding Encumbrances are included within RSS. RSS is included as a component of Restricted Net position and Restricted Fund balance on the face of the balance sheet.

Restricted for other purposes - \$424,423:

Public safety - \$48,213 of fund balance that is restricted by revenue source for public safety and 911 system expenditures.

Cultural and recreation - \$321,209 of fund balance that is restricted by revenue source for convention center and tourism expenditures.

Community planning and development - \$50,935 of fund balance that is restricted by revenue source for neighborhood expenditures.

Streets and highways - \$4,066 of Powell Bill and other fund balance that is restricted by revenue source for street construction and maintenance expenditures. For the Special Revenue funds, this amount represents the balance of the total unexpended Powell Bill and other grant funds.

(Dollar Amounts in Thousands)

Restricted for capital projects – \$56,815 of fund balance from unspent bond proceeds restricted for capital projects.

Committed fund balance – This classification includes amounts that can only be used for specific purposes imposed by ordinance approved by the City Council, the highest level of decision-making authority. Any changes or removal of specific purposes requires action by the City Council.

Committed for capital projects - \$379,439 of fund balance committed by the City Council for capital projects.

Committed for debt service - \$95,625 of fund balance committed by the City Council for advance planning for bond referenda and loans to other funds for the purchase of capital equipment.

Assigned fund balance – This classification includes amounts that the City intends to use for specific purposes.

Assigned for Debt service - \$58,598 of fund balance in the Debt Service fund that is not nonspendable, restricted, or committed that will be used for future payment of debt service requirements. By approval of the budget of the Debt Service fund, the City Council has assigned this amount to the purpose of the Debt Service fund.

Unassigned fund balance – This classification includes \$150,960 in the General fund, and (\$3,530) in Other Governmental Funds that have not been restricted, committed, or assigned to specific purposes or other funds. The general fund is the only fund reporting a positive unassigned fund balance.

When expenditures are incurred for purposes for which both restricted and unrestricted fund balance is available, the City considers restricted amounts to have been spent first. For purposes of fund balance classification, expenditures are to be spent from restricted fund balance first, followed in-order by committed, assigned, and unassigned fund balance.

The City's Capital Investment Plan Financial Policies, which are approved annually by the City Council, include a policy to maintain the General fund balance at sixteen percent of the operating budget. Any portion of the General fund balance in excess of sixteen percent of budgeted expenditures is dedicated to capital expenses, unless otherwise directed by City Council.

(10) Pensions

The City participates in a cost-sharing, multiple-employer, defined benefit pension plan administered by the State, the Local Governmental Employees' Retirement System (LGERS); a single-employer Law Enforcement Officers' Special Separation Allowance (LEOSSA); and a postemployment benefit plan, the Employee Benefit Trust Plan (EBTP).

For purposes of measuring the net pension asset or liability, deferred outflows and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the defined benefit pension plans and additions to/deductions from the defined benefit pension plans' fiduciary net position have been determined on the same basis as they are reported by the state-administered defined benefit pension plan and the LEOSSA. For this purpose, plan member contributions are recognized in the period in which the contributions are due. The City's employer contributions are recognized when due and the City has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the state-administered defined benefit pension plans.

For purposes of measuring the net OPEB asset or liability, deferred outflows and inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the EBTP and additions to/deductions from the EBTP fiduciary net position have been determined on the same basis as they are reported by the EBTP. For this purpose, the EBTP recognizes benefit payments when due and payable in accordance with the benefit terms. Investments for all plans are reported at fair value.



(11) Adoption of New Accounting Pronouncement

During the fiscal year, the City adopted the provisions of GASB Statement No. 101, Compensated Absences, which supersedes the previous standard, GASB 16. This new standard requires a liability to be recognized for both: 1) Leave that has not been used which applies to leave attributable to services already rendered, that accumulates, and is more likely than not to be used for time off or otherwise paid in cash or non-cash means; and 2) Leave that has been used but not yet paid or settled. In addition, the calculation of the liability for the City incorporates the employee's pay rate and associated salary related costs, such as social security (6.2%), Medicare (1.45%), 401K contribution (3.00%), and law enforcement additional contribution (5.00%). Management determined that the implementation of Statement No. 101 was material and restated the beginning net position and fund balance as of July 1, 2024.

The vacation and well-being leave, and compensatory time liability amounts were summed together, and salary-related payments were integrated (at varying points of the calculation) to arrive at a total re-measured FY24 compensated absence liability of \$122,304. This is an increase from the previous FY24 measurement of \$105,480 under Statement No. 16. Utilizing the same methodology, the FY25 liability totaled \$130,016.

(Dollar Amounts in Thousands)

2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

a. Explanation of certain differences between the governmental funds balance sheet and the government-wide statement of net position

The governmental fund balance sheet includes a reconciliation between fund balance – total government funds and net position – governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that “Noncurrent liabilities are not due and payable in the current period and, therefore, are not reported in the funds.”

Bonds and installment purchases payable	\$ 1,432,928
Net of premiums and discounts	134,075
General obligation bond anticipation notes	139,829
Installment purchases draw program	110,000
Derivative instrument liability	3,069
Swaption borrowing payable	2,898
Compensated absences	96,499
Lease payable	16,340
SBITA payable	31,896
Accrued interest payable	13,813
Net adjustment to reduce fund balance of total governmental funds to arrive at net position-governmental activities	<u>\$ 1,981,347</u>

b. Explanation of certain differences between the governmental funds statement of revenues, expenditures and changes in fund balances and the government-wide statement of activities

The governmental fund statement of revenues, expenditures and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense.”

Capital outlay	\$ 267,586
Depreciation expense	(150,663)
Amortization expense	<u>(17,659)</u>
Net adjustment to decrease net changes in fund balance – total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 99,264</u>

Another element of that reconciliation states “The net effect of various miscellaneous transactions involving capital assets (i.e., sales and donations) is to decrease net position.” In the statement of activities, only the loss on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the cost of the capital assets sold.

Donation of capital assets	\$ 217,525
Capital contribution to fleet management	(1,390)
Sales of capital assets	<u>(1,850)</u>
Net adjustments to decrease change in net position differs from the change in fund balance by the cost of capital assets sold	<u>\$ 214,285</u>

Another element of that reconciliation states, "The issuance of long-term debt (e.g., bonds and installment purchases) 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 issued, whereas these amounts are deferred and amortized in the statement of activities."

Debt issued or incurred:	
Issuance of general obligation bonds	\$ (59,995)
Issuance of general obligation bond anticipation notes	(80,099)
Issuance of installment purchases	(91,213)
Issuance of installment purchases draw program	(100,576)
Plus premium on debt issuance	(6,236)
Lease purchases	(1,008)
SBITA purchases	(27,445)
Swaption borrowing	431
Principal repayments:	
General obligation bonds	141,250
General obligation bond anticipation notes	-
Installment purchases	34,650
Lease liabilities	2,212
SBITA liabilities	34,501
Lease modifications resulting in a decrease in lease liabilities	40
SBITA modifications resulting in a decrease in SBITA liabilities	14,915
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ (138,573)</u>

Another element of that reconciliation states, "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."

Accrued interest	\$ 2,657
Amortization on deferred loss on refundings	(337)
Amortization on deferred gain on refundings	(6,135)
Amortization on deferred amount on refundings	(32)
Amortization of debt premiums	22,121
Compensated absences	(2,858)
Pension expense	(145,058)
OPEB expense	23,584
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ (106,058)</u>

(Dollar Amounts in Thousands)

3. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

As required by State statutes, prior to July 1 each year City Council adopts an annual appropriation ordinance for all funds except for the city's Internal Service and Fiduciary Funds. At the conclusion of each fiscal year, City Council re-appropriates unexpended appropriations in certain funds where the programs, activities, or projects require multiple years to implement. This includes the Capital Projects Funds, Public Safety and Other Grants, General COVID Relief, American Rescue Plan Act, Neighborhood Development, Emergency Telephone System Special Revenue Funds and the Capital Projects Funds for each Enterprise Fund.

The annual budgets are adopted at the fund level and Capital Projects Funds are adopted at the function and project levels which are the legal levels of budgetary control. Amendments to the budget at this level require approval of the City Council. During the year, several amendments to the budget were necessary. Administrative control is maintained through the establishment of more detailed line-item budgets. The budget is entered into the accounting records and comparisons of actual to budget are made throughout the year. City administration has the authority to amend line-item budgets within the levels authorized by City Council. The final budgets shown in the statements are as amended at June 30, 2025.

Annual budgets are adopted on the modified accrual basis except that they account for encumbrances carried from the prior fiscal year into the current year. Current year's appropriations are charged for encumbrances when commitments for the expenditures of monies are issued. Encumbrances outstanding at year-end are reported as reservations of fund balances and do not constitute expenditures or liabilities in the current year because the commitments, if fulfilled would be honored during the subsequent year.

The accompanying Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Non-GAAP Basis) – General Fund presents comparisons of the original and final budget with actual data. Since the legally adopted budget is on a basis which differs from GAAP, the actual data is similarly presented on a budgetary basis for comparison purposes. A reconciliation of the non-GAAP basis to the GAAP basis is presented.

Deficit in Fund Balance of Individual Fund

For the fiscal year ended June 30, 2025, there was a negative fund balance in the General COVID Relief fund of \$3,530. This deficit resulted from an excess of expenditures over collected revenues. This deficit is expected to be reimbursed from FEMA.

4. DETAILED DISCLOSURES ON ALL FUNDS

a. Deposits

As of June 30, 2025, the bank balances and carrying amounts of bank deposits were as follows:

	Bank Balance	Carrying Amount
City - Governmental and Business-type Activities	\$ 278,796	\$ 153,125
City - Fiduciary Funds	147	8,565
Component unit - Authority	13,682	12,725

All deposits of the City are made in board-designated official depositories and are secured as required by State statutes. The City may designate as an official depository any bank or savings and loan association whose principal office is located in North Carolina. In addition, the City may establish time deposit accounts such as Negotiable Order of Withdrawal (NOW) and Super NOW accounts, money market accounts, and certificates of deposit. The City and the Authority have petty cash of \$359 and \$273 respectively.

According to the City's policy regarding custodial credit risk for deposits, all of the City's deposits are either insured or collateralized by using the Pooling Method. Under the Pooling Method, 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 City, these deposits are considered to be held by the City's agent in the City'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 City or the escrow agent. Because of the inability to measure the exact amounts of collateral pledged for the City 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 North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method. Of the City's bank balances, \$1,250 was covered at the federal depository insurance coverage level and \$64,343 was covered by collateral held under the Pooling Method.

Component Unit: The Authority must comply with the requirements of the State statutes as previously described for the City. Of the bank balances, \$250 was covered by federal depository insurance coverage. The remaining balances were covered by collateral held under the Pooling Method.

b. Investments

State Statute 159-30 authorizes the City and the Authority to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain non-guaranteed federal agencies; certain high-quality issues of commercial paper and bankers' acceptances; repurchase agreements having third-party safekeeping; and the North Carolina Capital Management Trust (NCCMT), an SEC registered mutual fund. The City is not authorized to enter into reverse repurchase agreements. The investments of the Charlotte Firefighters' Retirement System (System) Pension Trust fund are governed by the North Carolina Act (Act) establishing the System. This Act authorizes additional investment types which include corporate bonds, common stock, guaranteed investment contracts and mutual funds. The investments of the Employee Benefit Trust Plan (EBTP) are governed by State statute 147-69.2(b)(1)-(6)&(8). This legislation authorizes additional investment types which include corporate bonds, common stock, and mutual funds.

City – Governmental and Business-type Activities – The investments and maturities at June 30, 2025 were as follows:

Investment type	Fair Value	Investment Maturities (in Years)		
		Less than 1	1-3	More than 3
U.S. Treasuries	\$ 650,809	\$ 485,574	\$ 165,235	\$ –
U.S. Agencies	1,917,755	1,303,883	514,764	99,108
Commercial paper	22,350	22,350		–
Mutual funds	70,832	N/A	N/A	N/A
NCCMT Government Portfolio	700,359	N/A	N/A	N/A
NCIP	10,149	N/A	N/A	N/A
NC Class	10,157	N/A	N/A	N/A
Total	<u>\$ 3,382,411</u>	<u>\$ 1,811,807</u>	<u>\$ 679,999</u>	<u>\$ 99,108</u>

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure fair value of the assets. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

CITY OF CHARLOTTE, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2025

(Dollar Amounts in Thousands)

The following is a summary of the fair value hierarchy of the fair value of investments as of June 30, 2025:

Investments by fair value level	June 30, 2025	Fair Value Measurements Using Quoted Prices in Active Markets for Identical Assets (Level 1)	Fair Value Measurements Using Quoted Prices in Active Markets for Similar Assets (Level 2)
Debt securities			
U.S. Treasuries	\$ 650,809	\$ 485,574	\$ 165,235
U.S. Agencies	1,917,755	–	1,917,755
Commercial paper	22,350	–	22,350
Mutual funds	70,832	70,832	–
Total investments by fair value level	<u>\$ 2,661,746</u>	<u>\$ 556,406</u>	<u>\$ 2,105,340</u>

Category	Investments Measured as NAV	Unfunded Commitment	Redemption Frequency	Redemption Notice Period
NCCMT Government Portfolio	700,359	–	Daily	N/A
NCIP	10,149	–	Daily	N/A
NC Class	10,157	–	Daily	N/A
	<u>720,665</u>	<u>\$ –</u>		
Total investments	<u>\$ 3,382,411</u>			

Investments classified in Level 1 of the fair value hierarchy are valued using quoted prices in active markets. Level 2 debt securities are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities benchmark quoted prices. Investments in NC Class, NCIP, and the NCCMT Government Portfolio are reported at amortized cost (NAV), which approximates fair value, in accordance with GASB guidance.

Interest Rate Risk: As a means of limiting its exposure to fair value losses arising from rising interest rates, the City's investment policy structures the investment portfolio so security maturities match cash flow requirements for ongoing operations, avoiding the need to sell securities on the open market prior to maturity. Also, the City's investment policy requires the investment of operating funds primarily in shorter-term securities (0-5 years), money market mutual funds, or similar investment pools.

Credit Risk: The City's investment policy seeks to minimize credit risk by pre-qualifying and conducting ongoing due diligence of the financial institutions, broker/dealers, and intermediaries with which the City will do business and diversifying the investment portfolio so the impact of potential losses from any one type of security or from any one individual issuer will be minimized. State law limits investments in commercial paper to the top rating issued by nationally recognized statistical rating organizations (NRSROs). As of June 30, 2025, the City's investments in commercial paper carried at least S&P A1, Moody's P1 or Fitch F1 ratings. The City's investments in the NCCMT Government Portfolio carried a credit rating of AAAm by S&P as of June 30, 2025. The City's investments in U.S. Agencies (Federal Home Loan Bank, Federal National Mortgage Association, Federal Home Loan Mortgage Corporation and Federal Farm Credit Bank) are rated AA+ by S&P and Aaa by Moody's.

Custodial Credit Risk: For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At June 30, 2025, the City had no investments subject to custodial credit risk. The City's investment policy limits custodial credit risk by providing that purchased securities be delivered to a third-party safekeeping bank designated by the City.

Concentration of Credit Risk: The City's investment policy limits the amount of commercial paper or bankers' acceptances to a maximum of 25 percent of the portfolio. For commercial paper, a maximum of \$20 million may be invested in any one issuer. For bankers' acceptances, the maximum investment is limited to 10 percent of the portfolio for any one issuer.

CITY OF CHARLOTTE, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2025

(Dollar Amounts in Thousands)

City – Fiduciary Fund: Charlotte Firefighters' Retirement System – The investments and maturities at June 30, 2025 were as follows:

Investment type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	More than 10
U.S. Treasuries	\$ 15,167	\$ 6,453	\$ 844	\$ 3,543	\$ 4,327
U.S. Agencies	46,922	272	524	644	45,482
Corporate bonds	68,157	229	11,578	13,180	43,170
Common stocks	84,888	N/A	N/A	N/A	N/A
Mutual funds	488,777	N/A	N/A	N/A	N/A
Total	<u>\$ 703,911</u>	<u>\$ 6,954</u>	<u>\$ 12,946</u>	<u>\$ 17,367</u>	<u>\$ 92,979</u>

Interest Rate Risk: The System does not have a formal investment policy that limits investment maturities.

Credit Risk: The System is authorized to invest in bonds with a quality rating of no less than investment grade and unrated U.S. Treasuries and Agencies. The quality ratings of investments in fixed income securities as described by nationally recognized statistical rating organizations at June 30, 2025 were as follows:

Quality Rating	Fair Value	Percentage of Portfolio
AAA	\$ 6,793	5.22%
Ba1 > Aa2	63,111	48.46%
Total credit risk debt securities	69,904	53.68%
U.S. Government fixed income securities:		
Government National Mortgage Association	5,470	4.20%
U.S. Treasury	15,167	11.64%
Not rated	39,704	30.48%
Total fixed income securities	<u>\$ 130,245</u>	<u>100.00%</u>

Concentration of Credit Risk: The System limits the amount of equity holdings in any one company not to exceed eight percent or benchmark weight +1%, whichever is greater, of the market value of the portfolio; the amount of equity holdings in any one sector to 30 percent of the fair value of the portfolio; and the amount of fixed-income securities in any one corporation to five percent of the fair value of the portfolio without the consent of the board. There is no limit on securities backed by the full faith and credit of the U.S. Government or any of its instrumentalities.

Investments by fair value level	June 30, 2025	Fair Value Measurements Using Quoted Prices in Active Markets for Identical Assets (Level 1)	Fair Value Measurements Using Quoted Prices in Active Markets for Similar Assets (Level 2)	Fair Value Measurements Using Unobservable Inputs (Level 3)
U.S. Treasuries	\$ 15,167	\$ 15,167	\$ –	\$ –
U.S. Agencies	46,922	–	46,922	–
Corporate bonds	59,609	–	59,609	–
Common stocks	84,888	84,888	–	–
Mutual funds	26,279	–	26,279	–
Total investments by fair value level	<u>\$ 232,865</u>	<u>\$ 100,055</u>	<u>\$ 132,810</u>	<u>\$ –</u>



Category	Investments Measured as NAV	Unfunded Commitment	Redemption Frequency	Redemption Notice Period
U.S. Equity	180,779	–	Daily	N/A
International equity	205,007	–	Daily	N/A
U.S. Bonds	8,548	–	Daily	N/A
Fixed income	49,816	–	Quarterly	45 Days
International fixed income	26,896	–	Quarterly 1st day of Quarter	N/A
	471,046	\$ –		
Total investments	<u>\$ 703,911</u>			

Investments classified in Level 1 of the fair value hierarchy are valued using quoted prices in active markets. Level 2 debt securities are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' benchmark quoted prices.

City – Fiduciary Fund: Employee Benefit Trust Plan (EBTP) – At June 30, 2025, the EBTP had investments of \$179,056 in mutual funds. The mutual fund investments classified at Level 1 of the fair value hierarchy are valued using quoted prices in active markets.

Interest Rate Risk: The EBTP does not have a formal investment policy that limits investment maturities.

Credit Risk: The EBTP adheres to State statutes which limit credit risk by limiting investments in below investment grade securities and restricting the purchase of non-exchange traded investments.

Concentration of Credit Risk: The EBTP diversifies investments according to a strategic asset allocation across a range of company capitalizations in domestic and international equities as well as domestic and global bonds. The EBTP limits the amount of equity holdings in any one company to eight percent of the fair value of the portfolio; the amount of equity holdings in any one sector to 30 percent of the fair value of the portfolio; and the amount of fixed-income securities in any one corporation to five percent of the fair value of the portfolio. There is no limit on securities backed by the full faith and credit of the U.S. Government for any of its instrumentalities.

Component Unit – At June 30, 2025, the Authority had investments of \$41,382 in the NCCMT's Government Portfolio, which carried a credit rating of AAA by S&P.

(Dollar Amounts in Thousands)

c. Receivables

The receivable amounts presented in the accompanying financial statements are net of the following allowances for doubtful accounts:

<u>Governmental</u>	
General	\$ 22,613
Debt Service	1,808
Capital Projects	276
Nonmajor Governmental	235
Total Governmental	<u>24,932</u>
 <u>Proprietary</u>	
Water and Sewer	66,841
Storm Water	15,622
Airport	74,009
Public Transit	4,618
Total Proprietary	<u>161,090</u>
Total	<u>\$ 186,022</u>

In February 2002, City Council approved an interest-free loan to the Authority for \$5,000 for the renovation of Ovens Auditorium. In May 2007, Council approved a new repayment schedule for the loan agreement. The term of the loan was extended by thirty years and established a \$160 per year repayment through fiscal year 2037. At June 30, 2025, the balance of the loan outstanding was \$1,811.

(1) Lease Receivable

The City leases land, buildings, machinery and equipment, water and sewer systems, Airport facilities (non-regulated leases), and infrastructure capital assets to various third-party tenants doing business in the City of Charlotte. These leases have terms including options to extend between 1 and 99 years, with payments required monthly, semiannually, or annually. In addition to fixed payments and variable payments that are fixed in substance, the present value of which are included in the lease receivable, the City receives variable payments that depend on future performance of the lessee or usage of the underlying asset and non lease payments that are excluded from the measurement of the lease receivable and recognized as inflows of resources.

In fiscal year 2025, the City recognized \$20,833 of lease revenue and \$3,767 of interest revenue related to these leases. In addition, the City recognized \$37,630 in variable lease revenue not included in the lease receivable. As of June 30, 2025, the City's lease receivables were valued at \$149,929. The deferred inflow of resources associated with these leases to be recognized as revenue over the remaining terms of the leases is \$139,765.

The principal and interest requirements to maturity for the lease receivable at June 30, 2025, are as follows:

<u>Governmental Activities</u>		
Year Ending June 30	Principal	Interest
2026	\$ 912	\$ 163
2027	778	151
2028	500	129
2029	480	121
2030	447	114
2031-2035	2,415	454
2036-2040	1,964	276
2041-2045	1,310	152
2046-2050	902	69
2051-2055	487	13
2056-2057	—	—
	<u>\$ 10,195</u>	<u>\$ 1,642</u>

The principal and interest requirements to maturity for the lease receivable at June 30, 2025, are as follows:

Year Ending June 30	<u>Business-type Activities</u>					
	Water and Sewer		Airport		Public Transit	
	Principal	Interest	Principal	Interest	Principal	Interest
2026	\$ 295	\$ 37	\$ 17,629	\$ 2,783	\$ 518	\$ 342
2027	231	34	17,361	2,339	578	307
2028	116	31	17,188	1,892	589	253
2029	114	30	12,003	1,497	555	214
2030	121	28	10,928	1,219	508	183
2031-2035	602	111	13,675	4,770	2,048	550
2036-2040	404	71	11,501	3,660	1,226	189
2041-2045	192	50	4,914	3,069	660	28
2046-2050	244	34	2,973	2,540	—	—
2051-2055	282	13	3,703	2,183	—	—
2056-2060	2	3	4,506	1,782	—	—
2061-2065	2	3	5,446	1,275	—	—
2066-2070	2	3	6,544	643	—	—
2071-2075	2	3	2,038	59	—	—
2076-2080	3	2	—	—	—	—
2081-2085	3	2	—	—	—	—
2086-2090	3	2	—	—	—	—
2091-2095	4	1	—	—	—	—
2096-2100	4	1	—	—	—	—
2101-2105	4	1	—	—	—	—
2106-2110	4	1	—	—	—	—
2111-2115	5	1	—	—	—	—
2116-2120	4	—	—	—	—	—
	<u>\$ 2,643</u>	<u>\$ 462</u>	<u>\$ 130,409</u>	<u>\$ 29,711</u>	<u>\$ 6,682</u>	<u>\$ 2,066</u>

(Dollar Amounts in Thousands)

(2) Regulated Leases

The City has leasing agreements for aeronautical use of the Airport's airfield, terminal, and other facilities as defined by the Federal Aviation Administration. The City leases land and buildings to third parties under these agreements.

As of June 30, 2025, the remaining amount of expected future minimum payments under these agreements is as follows:

Year Ending June 30	
2026	\$ 48,928
2027	5,240
2028	5,344
2029	6,144
2030	4,493
2031-2035	19,653
2036-2040	15,085
2041-2045	6,595
2046-2050	2,137
2051-2055	167
2056-2058	18
Total minimum future rental income	<u>\$ 113,804</u>

In July 2016, the City and American Airlines Group, Inc. (American Airlines), Frontier Airlines, Jet Blue, Southwest Airlines, Delta Air Lines, United Airlines and Spirit Airlines (collectively, the Signatory Airlines) entered into an Airline Use and Lease Agreement (AUA) for usage of Charlotte Douglas International Airport (Airport) facilities to conduct business as air transportation businesses. This agreement is non-cancellable and terminates no later than 2026 with no option to extend. Under the terms of this agreement, Signatory Airlines pay the Airport monthly based on the annual rental rate and fee schedule. Rate calculations are based on total estimates of cost and expenses, estimates of passengers and total landed weight, and other factors. Final settlements are made each year after the audit of the Airport fund's Annual Comprehensive Financial Report. Other airlines operating at the Airport are billed at rates established by the City's ordinances.

Pursuant to the AUA, the Signatory Airlines lease certain premises in the passenger terminal building (terminal) and are obligated to pay landing fees and terminal rentals which, in the aggregate, are sufficient to enable the City to pay the annual operating expenses of the airfield and terminal, and the annual debt service on General Airport Revenue Bonds (GARBs) issued by the City to fund airfield, terminal, and other airport improvements. Under the Agreement, American Airlines exclusively leases terminal space and facilities on the ramp levels of Concourses A, B, C, D, and E, ancillary space on the ticketing level of those Concourses, airline club space, and office space in the mezzanine of the Airport Atrium. American Airlines also preferentially leases gates on A, B, C, D and E Concourses. Delta, United, Southwest, Jet Blue, Spirit, and Frontier exclusively lease support space on the ramp level of Concourse A; these airlines also preferentially lease gates on Concourse A. All of the Signatory Airlines under the agreement exclusively lease airline ticket counter support space in the Airport lobby and baggage service office space in the baggage claim area of the Airport. All Signatory Airlines also preferentially lease ticket counters in the Airport lobby.

CITY OF CHARLOTTE, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2025

(Dollar Amounts in Thousands)

In addition, the agreement grants American Airlines preferential use of boarding gates, aircraft parking, and other areas at the Airport. No other airlines have exclusive or preferential use of more than five percent of terminal space or other areas of the Airport as of June 30, 2025. Exclusive and preferential use of space are summarized as follows:

Charlotte Douglas International Airport Leased Terminal Space										
	American	Delta	United	Southwest	JetBlue	Spirit	Frontier	Joint Use	Other Space	Total
Airline Leased Space (sq. ft.)	463,189	47,613	23,838	9,740	849	5,824	6,865	307,276	–	865,194
Airline Exclusive	282,027	31,086	10,572	3,147	539	2,734	1,463	–	–	331,568
Airline Preferential	181,162	16,527	13,266	6,593	310	3,090	5,402	–	–	226,350
Joint Use	–	–	–	–	–	–	–	307,276	–	307,276
Non-Airline Rentable Space	–	–	–	–	–	–	–	–	407,779	407,779
Common Use Gate/Holdroom	–	–	–	–	–	–	–	–	24,966	24,966
Common Use Ticket Counter	–	–	–	–	–	–	–	–	4,075	4,075
Concessions	–	–	–	–	–	–	–	–	229,335	229,335
Rentable-Other Office	–	–	–	–	–	–	–	–	20,065	20,065
Customs and Border Protection	–	–	–	–	–	–	–	–	129,338	129,338
Total Leasable Space	<u>463,189</u>	<u>47,613</u>	<u>23,838</u>	<u>9,740</u>	<u>849</u>	<u>5,824</u>	<u>6,865</u>	<u>307,276</u>	<u>407,779</u>	<u>1,272,973</u>
Common and preferential use gate assignments										
Number of gates	93	7	4	2	–	2	2	–	13	123

For the year ended June 30, 2025, the City recognized \$46,365 of inflows of resources from fixed lease revenue payments and \$15,802 of inflows of resources from variable lease payments not included in expected future minimum payments related to these regulated lease agreements. Variable lease payments were based on usage measures and included landing fees, bag processing fees, gate use fees, international facility use fees, and ticket counter use fees.

(Dollar Amounts in Thousands)

d. Property Taxes

Pursuant to State statutes, property taxes levied on July 1, the beginning of the fiscal year, are due September 1; however, penalties do not accrue until January 6. The taxes levied effective July 1, 2024 were based on the assessed values listed as of January 1, 2024, which is the lien date. The City and Mecklenburg County have a common tax base and overlapping bonded debt. Mecklenburg County is the City's agent for listing and collecting property taxes levied. The distribution of the City's levy for 2025 (tax rate per \$100 valuation) to its funds is shown below:

General	\$	0.2096
Debt Service		0.0551
Capital Projects		0.0094
Total	\$	<u>0.2741</u>

In addition, special taxes are levied on areas referred to as Municipal Services Districts. The purpose of these taxes is to aid the revitalization of these areas. The tax rates for 2025 for Districts 1, 2, 3, 4, 5 and 6 were \$0.0128, \$0.0218, \$0.0332, \$0.0280, \$0.0262 and \$0.0381, respectively.

e. Restricted Assets

Cash, cash equivalents and investments are restricted in the accompanying statements as follows by fund:

<u>Governmental</u>		
Debt Service	\$	65
Capital Projects		56,815
Other governmental funds		32,407
Total Governmental		<u>89,287</u>
 <u>Enterprise</u>		
Water and Sewer		6,051
Airport		710,460
Total Enterprise		<u>716,511</u>
Total	\$	<u>805,798</u>

These fund assets are restricted pursuant to bond orders and other financing agreements.

f. Capital Assets

Capital asset activity for governmental activities for the year ended June 30, 2025 were as follows:

<u>Governmental activities</u>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets not being depreciated:				
Land	\$ 3,842,942	\$ 231,500	\$ 2,788	\$ 4,071,654
Construction in progress (Note 4.g.)	310,628	497,716	599,531	208,813
Total capital assets not being depreciated	4,153,570	729,216	602,319	4,280,467
Capital assets being depreciated:				
Buildings	1,587,210	179,782	85	1,766,907
Infrastructure	3,316,063	109,740	3	3,425,800
Intangibles	48,488	1,716	–	50,204
Machinery and equipment	338,252	53,611	16,524	375,339
Total capital assets being depreciated	5,290,013	344,849	16,612	5,618,250
Less accumulated depreciation for:				
Buildings	641,621	41,162	–	682,783
Infrastructure	1,581,210	79,607	–	1,660,817
Intangibles	43,530	2,351	–	45,881
Machinery and equipment	239,307	27,824	15,372	251,759
Total accumulated depreciation	2,505,668	150,944	15,372	2,641,240
Total capital assets being depreciated, net	2,784,345	193,905	1,240	2,977,010
Right to use assets being amortized:				
Buildings	18,814	662	835	18,641
Infrastructure	1,521	–	11	1,510
Machinery and equipment	3,416	314	671	3,059
SBITAs	97,210	27,893	20,679	104,424
Total right to use assets being amortized	120,961	28,869	22,196	127,634
Less accumulated amortization for:				
Buildings	4,936	1,926	841	6,021
Infrastructure	98	49	–	147
Machinery and equipment	1,922	544	674	1,792
SBITAs	27,030	15,249	4,997	37,282
Total accumulated amortization	33,986	17,768	6,512	45,242
Total right to use assets being amortized, net	86,975	11,101	15,684	82,392
Governmental activity capital assets, net	<u>\$ 7,024,890</u>	<u>\$ 934,222</u>	<u>\$ 619,243</u>	<u>\$ 7,339,869</u>

CITY OF CHARLOTTE, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2025

(Dollar Amounts in Thousands)

Depreciation and amortization expense was charged to activities as follows:

Governmental Activities:

Public safety	\$	28,562
Sanitation		8,324
General administration		10,274
Support services		3,898
Engineering and property management		7,952
Streets and highways		76,103
Community planning and development		8,541
Culture and recreation		24,715
Capital assets held by the City's internal service funds are charged to various functions based on the usage of assets		<u>343</u>
Total depreciation and amortization expense – Governmental Activities	\$	<u>168,712</u>

CITY OF CHARLOTTE, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2025

(Dollar Amounts in Thousands)

Capital asset activity for business-type activities for the year ended June 30, 2025 were as follows:

	Beginning Balance	Increase	Decrease	Ending Balance
Business-type activities				
<i>Water and Sewer</i>				
Capital assets not being depreciated:				
Land	\$ 69,440	\$ 3,506	\$ –	\$ 72,946
Construction in progress	33,720	24,633	20,138	38,215
Total capital assets not being depreciated	103,160	28,139	20,138	111,161
Capital assets being depreciated:				
Buildings	105,651	6,941	–	112,592
Water and sewer systems	7,747,175	460,327	–	8,207,502
Intangibles	63,935	14,023	–	77,958
Machinery and equipment	96,589	13,835	1,756	108,668
Total capital assets being depreciated	8,013,350	495,126	1,756	8,506,720
Less accumulated depreciation for:				
Buildings	19,562	2,657	–	22,219
Water and sewer systems	2,545,250	194,945	–	2,740,195
Intangibles	26,679	1,988	–	28,667
Machinery and equipment	61,573	7,261	3,589	65,245
Total accumulated depreciation	2,653,064	206,851	3,589	2,856,326
Total capital assets being depreciated, net	5,360,286	288,275	(1,833)	5,650,394
Right to use assets being amortized:				
Land	47	–	–	47
Machinery and equipment	4,219	–	–	4,219
SBITAs	4,599	872	178	5,293
Total right to use assets being amortized	8,865	872	178	9,559
Less accumulated amortization for:				
Land	11	5	–	16
Machinery and equipment	572	474	–	1,046
SBITAs	1,650	1,280	225	2,705
Total accumulated amortization	2,233	1,759	225	3,767
Water and Sewer right to use assets, net	6,632	(887)	(47)	5,792
Water and Sewer capital assets, net	5,470,078	315,527	18,258	5,767,347

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CITY OF CHARLOTTE, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2025

(Dollar Amounts in Thousands)

	Beginning Balance	Increase	Decrease	Ending Balance
<i>Storm Water</i>				
Capital assets not being depreciated:				
Land	\$ 1,530	\$ –	\$ –	\$ 1,530
Construction in progress	40,408	83,371	75,868	47,911
Total capital assets not being depreciated	41,938	83,371	75,868	49,441
Capital assets being depreciated:				
Storm water systems	1,234,007	75,471	–	1,309,478
Intangibles	3,619	–	–	3,619
Machinery and equipment	1,622	233	–	1,855
Total capital assets being depreciated	1,239,248	75,704	–	1,314,952
Less accumulated depreciation for:				
Storm water systems	167,537	21,169	–	188,706
Intangibles	3,620	–	–	3,620
Machinery and equipment	725	298	–	1,023
Total accumulated depreciation	171,882	21,467	–	193,349
Total capital assets being depreciated, net	1,067,366	54,237	–	1,121,603
Right to use assets being amortized:				
Machinery and equipment	60	–	–	60
SBITAs	–	–	–	–
Total right to use assets being amortized	60	–	–	60
Less accumulated amortization for:				
Machinery and equipment	28	9	–	37
SBITAs	–	–	–	–
Total accumulated amortization	28	9	–	37
Storm Water right to use assets, net	32	(9)	–	23
Storm Water capital assets, net	1,109,336	137,599	75,868	1,171,067

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CITY OF CHARLOTTE, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2025

(Dollar Amounts in Thousands)

	Beginning Balance	Increase	Decrease	Ending Balance
<i>Airport</i>				
Capital assets not being depreciated:				
Land	\$ 438,303	\$ 6,136	\$ –	\$ 444,439
Construction in progress	381,544	434,298	546,559	269,283
Total capital assets not being depreciated	819,847	440,434	546,559	713,722
Capital assets being depreciated:				
Buildings	1,583,165	25,983	–	1,609,148
Runways	661,336	52,257	–	713,593
Other	1,006,617	426,657	–	1,433,274
Intangibles	20,332	–	180	20,152
Machinery and equipment	213,177	32,462	9,757	235,882
Total capital assets being depreciated	3,484,627	537,359	9,937	4,012,049
Less accumulated depreciation for:				
Buildings	748,368	49,847	–	798,215
Runways	263,065	18,191	–	281,256
Other	149,471	48,030	–	197,501
Intangibles	16,030	2,157	54	18,133
Machinery and equipment	132,057	16,316	2,813	145,560
Total accumulated depreciation	1,308,991	134,541	2,867	1,440,665
Total capital assets being depreciated, net	2,175,636	402,818	7,070	2,571,384
Right to use assets being amortized:				
Machinery and equipment	1,453	–	6	1,447
SBITAs	9,860	989	2,077	8,772
Total right to use assets being amortized	11,313	989	2,083	10,219
Less accumulated amortization for:				
Machinery and equipment	509	196	9	696
SBITAs	3,419	2,285	304	5,400
Total accumulated amortization	3,928	2,481	313	6,096
Total right to use assets being amortized, net	7,385	(1,492)	1,770	4,123
Airport capital assets, net	3,002,868	841,760	555,399	3,289,229

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CITY OF CHARLOTTE, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2025

(Dollar Amounts in Thousands)

	Beginning Balance Restated	Increase	Decrease	Ending Balance
<i>Public Transit</i>				
Capital assets not being depreciated:				
Land	\$ 178,578	\$ —	\$ —	\$ 178,578
Construction in progress	92,151	97,606	91,597	98,160
Total capital assets not being depreciated	270,729	97,606	91,597	276,738
Capital assets being depreciated:				
Buildings	410,769	—	—	410,769
Transit corridors	1,016,675	1,827	—	1,018,502
Other	48,387	1,519	—	49,906
Intangibles	24,765	—	—	24,765
Machinery and equipment	463,984	85,080	25,007	524,057
Total capital assets being depreciated (Note 4.g.)	1,964,580	88,426	25,007	2,027,999
Less accumulated depreciation for:				
Buildings	153,400	10,389	—	163,789
Transit corridors	399,880	510	—	400,390
Other	39,041	24,502	—	63,543
Intangibles	16,459	415	—	16,874
Machinery and equipment	199,254	24,941	17,401	206,794
Total accumulated depreciation	808,034	60,757	17,401	851,390
Total capital assets being depreciated, net	1,156,546	27,669	7,606	1,176,609
Right to use assets being amortized:				
Land	13,307	—	—	13,307
Buildings	—	—	—	—
Machinery and equipment	488	—	—	488
SBITAs	1,783	—	115	1,668
Total right to use assets being amortized	15,578	—	115	15,463
Less accumulated amortization for:				
Land	3,089	238	—	3,327
Buildings	—	—	—	—
Machinery and equipment	230	73	—	303
SBITAs	809	414	107	1,116
Total accumulated amortization	4,128	725	107	4,746
Total right to use assets being amortized, net	11,450	(725)	8	10,717
Public Transit capital assets, net	1,438,725	124,550	99,211	1,464,064
Business-type capital assets, net	\$ 11,021,007	\$ 1,419,436	\$ 748,736	\$ 11,691,707

g. Interfund Receivables, Payables and Transfers

The following is a summary of interfund receivables, payables and transfers, respectively, at June 30, 2025 by fund:

Due to/from other funds:	Interfund Receivables	Interfund Payables
Debt Service	\$ 9,408	\$ –
Capital Project	–	6,226
Nonmajor governmental	–	3,550
Enterprise - Water and Sewer	307	–
Enterprise - Airport	61	–
Total	<u>\$ 9,776</u>	<u>\$ 9,776</u>

The balances between Debt Service, Capital Projects, Nonmajor governmental, Water and Sewer, Airport, and General COVID Relief are to advance funding for expenditures until grant reimbursement is received. The balances between Capital Projects and Debt Service are to advance funding for a project until permanent financing is approved.

Due to/from primary government and component unit for reimbursable expenditures:

Primary Government:	Receivable Entity	Payable Entity
Debt Service	\$ 1,513	\$ –
Capital Projects	298	32
Nonmajor governmental	–	1,098
Enterprise - Airport	–	51
Component Unit - Authority	1,181	1,811
Total	<u>\$ 2,992</u>	<u>\$ 2,992</u>

CITY OF CHARLOTTE, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2025

(Dollar Amounts in Thousands)

Interfund transfers:

Transfers In:

Transfer out:	General	Debt Service	Capital Projects	Nonmajor Governmental	Enterprise	Internal Service	Total
General	\$ –	\$ –	\$ 14,818	\$ 27,570	\$ –	\$ 2,056	\$ 44,444
Debt Service	–	–	81,046	331	–	10,686	92,063
Capital Projects	1,659	48,270	–	13,813	34,421	–	98,163
Nonmajor governmental	394	44,356	26,978	–	–	–	71,728
Enterprise:							
Water and Sewer	–	–	3,296	–	–	–	3,296
Storm Water	–	–	770	–	–	–	770
Public Transit	–	–	1,521	116	–	–	1,637
Airport	–	–	1,402	–	–	–	1,402
Internal Service	–	–	234	–	–	–	234
Total	\$ 2,053	\$ 92,626	\$ 130,065	\$ 41,830	\$ 34,421	\$ 12,742	\$ 313,737

The transfers consist primarily of the following: \$92,626 to Debt Service from Nonmajor governmental and Capital project to cover debt service costs, \$130,065 to Capital Projects mainly from General, Debt Service and Nonmajor governmental to cover Capital Projects, and \$32,151 to Public Transit from Capital Projects to cover maintenance of efforts and \$2,269 for Storm Water to cover construction of capital assets.

h. Payables

Payables at June 30, 2025, including amounts payable from restricted assets, were as follows:

<u>Governmental</u>	Vendors	Salaries	Other	Total
General	\$ 15,604	\$ 28,475	\$ 411	\$ 44,490
Debt Service	7,340	–	–	7,340
Capital Projects	43,210	–	–	43,210
Nonmajor governmental	6,510	93	10	6,613
Total Governmental	72,664	28,568	421	101,653
<u>Proprietary</u>				
Water and Sewer	40,374	1,230	2,713	44,317
Storm Water	8,489	–	319	8,808
Airport	103,935	1,129	3,681	108,745
Public Transit	22,929	933	–	23,862
Internal Service	101,106	178	–	101,284
Total Proprietary	276,833	3,470	6,713	287,016
Total	\$ 349,497	\$ 32,038	\$ 7,134	\$ 388,669



i. Deferred Outflows and Inflows of Resources and Unavailable Revenues

The City has several deferred outflows of resources. Deferred outflows of resources are comprised of the following:

	City	Component Unit
Pension deferrals	\$ 531,168	\$ 6,458
OPEB deferrals	14,058	1,608
Contributions to pension plan in current fiscal year	120,073	3,531
Accumulated decrease in fair value of hedging derivatives	3,069	–
Loss on refundings	9,666	–
Unamortized bond refunding charges	2,329	–
	<u>\$ 680,363</u>	<u>\$ 11,597</u>

Deferred inflows of resources are comprised of the following:

	City	Component Unit
Lease receivables	\$ 139,766	\$ 891
Prepaid taxes	748	–
Pension deferrals	350,780	162
OPEB deferrals	66,413	3,375
Gain on refundings	75,763	–
	<u>\$ 633,470</u>	<u>\$ 4,428</u>

In addition, governmental funds report unavailable revenues in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period.

At the end of the current fiscal year, the governmental funds reported unavailable revenues as follows:

	General	Debt Service	Capital Projects	Nonmajor Governmental	Total Governmental
Property taxes receivable	\$ 7,138	\$ 1,808	\$ 239	\$ 126	\$ 9,311
Accounts receivable	3,539	–	30	–	3,569
Other\other governmental agencies\component units	–	1,512	298	131	1,941
	<u>\$ 10,677</u>	<u>\$ 3,320</u>	<u>\$ 567</u>	<u>\$ 257</u>	<u>\$ 14,821</u>

CITY OF CHARLOTTE, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2025

(Dollar Amounts in Thousands)

j. Long-term Liabilities

A summary of changes in long-term liabilities for governmental activities for the year ended June 30, 2025 were as follows:

	Beginning Balance, *Restated	Additions	Reductions	Ending Balance	Due Within One Year
<u>Governmental Activities</u>					
General obligation bonds	\$ 833,500	\$ 59,995	\$ 141,250	\$ 752,245	\$ 70,985
Plus unamortized premiums	79,085	6,236	16,889	68,432	5,559
Total bonds payable	912,585	66,231	158,139	820,677	76,544
Direct placement installment purchases	–	91,213	–	91,213	–
Installment purchases	624,120	–	34,650	589,470	35,895
Plus unamortized premiums	70,875	–	5,232	65,643	4,937
Total installment purchases	694,995	91,213	39,882	746,326	40,832
Direct placement general obligation bond anticipation notes	59,730	80,099	–	139,829	–
Direct placement installment purchases draw program	9,424	100,576	–	110,000	–
Derivative instrument liability	2,054	1,015	–	3,069	–
Swaption borrowing payable	3,329	–	431	2,898	416
Lease liabilities	17,604	1,008	2,258	16,354	2,279
SBITA liabilities	53,867	28,468	50,127	32,208	9,652
Compensated absences *	93,930	4,147	–	98,077	46,882
Arbitrage	214	–	214	–	–
Due to participants	3,529	–	2,237	1,292	–
Net pension liability (LGERS)	276,943	–	6,242	270,701	–
Total pension liability (LEOSSA)	164,649	–	3,577	161,072	–
Net pension liability (System)	550,177	–	30,116	520,061	–
Net OPEB liability	240,750	–	30,136	210,614	–
Total Governmental Activities	<u>\$ 3,083,780</u>	<u>\$ 372,757</u>	<u>\$ 323,359</u>	<u>\$ 3,133,178</u>	<u>\$ 176,605</u>

The change in compensated absence liability is presented as a net change. The beginning balance is restated due to implementation of GASB 101.

For governmental activities, LGERS, LEOSSA and net OPEB liability are primarily liquidated by the General Fund. Payments due to participants are made by Internal Service Funds.

CITY OF CHARLOTTE, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2025

(Dollar Amounts in Thousands)

A summary of changes in long-term liabilities for business-type activities for the year ended June 30, 2025 were as follows:

	Beginning Balance, *Restated	Additions	Reductions	Ending Balance	Due Within One Year
Business-type Activities					
Water and Sewer:					
Revenue bonds	1,950,870	–	71,450	1,879,420	65,990
Plus unamortized premiums	263,859	–	10,639	253,220	10,639
Total bonds payable	2,214,729	–	82,089	2,132,640	76,629
Direct placement installment purchases	5,659	–	2,238	3,421	2,272
Installment purchases	14,000	–	2,800	11,200	2,800
Plus unamortized premiums	624	–	139	485	139
Total installment purchases	20,283	–	5,177	15,106	5,211
Direct placement revenue bond anticipation notes	94,086	207,420	–	301,506	–
Direct borrowing state revolving loan	97,966	550	4,851	93,665	5,401
Refundable construction deposits	2,604	3,574	3,896	2,282	948
Lease liabilities	3,665	–	405	3,260	418
SBITA liabilities	2,644	884	1,570	1,958	1,128
Compensated absences *	9,992	1,120	–	11,112	6,107
Net pension liability (LGERS)	54,207	276	–	54,483	–
Total Water and Sewer	2,500,176	213,824	97,988	2,616,012	95,842
Storm Water:					
Revenue bonds	199,330	181,295	81,795	298,830	8,820
Plus unamortized premiums	21,560	16,942	10,301	28,201	1,142
Total bonds payable	220,890	198,237	92,096	327,031	9,962
Direct placement installment purchases	845	–	334	511	339
Direct placement revenue bond anticipation notes	123,325	1,575	124,900	–	–
Direct borrowing federal revolving loan	514	–	66	448	66
Lease liabilities	32	–	9	23	9
Compensated absences *	2,021	475	–	2,496	1,541
Net pension liability (LGERS)	13,521	445	–	13,966	–
Net OPEB liability	1,572	–	711	861	–
Total Storm Water	362,720	200,732	218,116	345,336	11,917

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CITY OF CHARLOTTE, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2025

(Dollar Amounts in Thousands)

	Beginning Balance, *Restated	Additions	Reductions	Ending Balance	Due Within One Year
Airport:					
Revenue bonds	1,604,440	291,000	95,085	1,800,355	37,705
Plus unamortized premiums	183,376	16,240	14,806	184,810	7,534
Total bonds payable	1,787,816	307,240	109,891	1,985,165	45,239
Direct placement revenue bond anticipation notes	13,554	9,552	–	23,106	–
Lease liabilities	960	–	187	773	196
SBITA liabilities	6,157	989	4,565	2,581	1,291
Compensated absences *	8,437	1,168	–	9,605	4,865
Arbitrage	–	1,544	–	1,544	1,544
Net pension liability (LGERS)	43,183	2,979	–	46,162	–
Total Airport	1,860,107	323,472	114,643	2,068,936	53,135
Public Transit:					
Installment purchases	215,945	–	9,820	206,125	10,295
Plus unamortized premiums	29,552	–	1,524	28,028	1,523
Total installment purchases	245,497	–	11,344	234,153	11,818
Lease liabilities	261	–	72	189	74
SBITA liabilities	850	–	435	415	300
Compensated absences *	7,924	802	–	8,726	3,186
Net pension liability (LGERS)	28,164	4,660	–	32,824	–
Net OPEB liability	592	–	592	–	–
Total Public Transit	283,288	5,462	12,443	276,307	15,378
Total Business-type Activities	<u>\$ 5,006,291</u>	<u>\$ 743,490</u>	<u>\$ 443,190</u>	<u>\$ 5,306,591</u>	<u>\$ 176,272</u>

The change in compensated absence liability is presented as a net change. The beginning balance is restated due to implementation of GASB 101.

The government-wide statement of net position includes \$46,783 of long-term liabilities due within one year for business-type activities in the liabilities payable from restricted assets. The remaining amount of \$129,489 is displayed as noncurrent liabilities, due within one year on that same statement.

(1) General Obligation Bonds

The City issues general obligation bonds to finance acquisition or construction of major capital facilities and the purchase of other major capital items. Bonded indebtedness has also been issued to advance refund several general obligation bonds. The following table summarizes the City's general obligation bonds:

Purpose	Interest Rates	Date Issued	Final Maturity	Original Issue	Balance June 30, 2025
Governmental Activities:					
Taxable Housing, Series 2013A	1.00% - 4.15%	09/05/2013	2030	\$ 34,370	\$ 10,725
Refunding, Series 2016A	5.00%	11/01/2016	2037	116,230	69,720
Refunding, Series 2019A	2.00% - 5.00%	08/15/2019	2039	189,920	114,535
Taxable Housing, Series 2019B	1.45% - 3.00%	08/28/2019	2039	55,000	38,500
Refunding, Series 2020A	3.00% - 5.00%	03/04/2020	2027	30,440	8,555
Refunding, Series 2020B	1.508% - 2.155%	03/04/2020	2032	93,970	69,135
Refunding, Series 2021A	2.00% - 5.00%	12/02/2021	2041	133,035	108,720
Taxable, Series 2023A	4.60% - 6.00%	08/01/2023	2043	75,000	67,500
Refunding, Series 2023B	5.00%	11/07/2023	2044	219,005	204,860
Refunding, Series 2024	5.00%	08/13/2024	2035	59,995	59,995
Total Governmental Activities					<u>\$ 752,245</u>

CITY OF CHARLOTTE, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2025

(Dollar Amounts in Thousands)

Debt service requirements to maturity for general obligation bonds are as follows:

<u>Governmental Activities</u>			
Year Ending June 30	Principal	Interest	
2026	\$ 70,985	\$ 30,692	
2027	71,085	27,645	
2028	66,965	24,570	
2029	62,020	21,753	
2030	53,010	19,046	
2031-2035	224,045	64,251	
2036-2040	148,390	26,680	
2041-2044	55,745	5,027	
	<u>\$ 752,245</u>	<u>\$ 219,664</u>	

(2) Revenue Bonds

The following table summarizes the City's revenue bonds for Business-type activities:

Purpose	Interest Rates	Date Issued	Final Maturity	Original Issue	Balance June 30, 2025
Water and Sewer, Refunding Series 2015	1.00% - 5.00%	08/27/2015	2046	\$ 459,585	\$ 221,025
Water and Sewer, Refunding Series 2018	3.00% - 5.00%	04/25/2018	2049	409,915	339,730
Water and Sewer, Refunding Series 2019	3.00% - 5.00%	09/10/2019	2036	58,750	45,245
Water and Sewer, Refunding Series 2020	2.00% - 5.00%	09/24/2020	2051	333,445	292,000
Water and Sewer, Refunding Series 2022A	3.47% - 5.00%	09/14/2022	2053	464,680	436,770
Water and Sewer, Taxable Series 2022B	3.45% - 3.55%	09/14/2022	2026	13,405	1,650
Water and Sewer, Series 2024	5.00%	06/26/2024	2055	543,000	543,000
Total Water and Sewer					<u>1,879,420</u>
Storm Water, Refunding Series 2016	1.50% - 5.00%	06/09/2016	2036	32,355	20,710
Storm Water, Fee Revenue Series 2020	2.00% - 5.00%	10/14/2020	2051	104,705	96,825
Storm Water, Refunding Series 2024	4.00% - 5.00%	09/05/2024	2055	181,295	181,295
Total Storm Water					<u>298,830</u>
Airport, Refunding Series 2014A	5.00%	11/06/2014	2035	74,290	8,225
Airport, Series 2017A	5.00%	06/01/2017	2048	167,385	149,915
Airport, Series 2017B	5.00%	06/01/2017	2048	16,345	14,815
Airport, Refunding Series 2017C	3.25% - 5.00%	06/01/2017	2042	119,050	93,720
Airport, Series 2019A	3.00% - 5.00%	06/20/2019	2050	142,220	131,300
Airport, Series 2019B	4.00% - 5.00%	06/20/2019	2050	36,145	33,545
Airport, Series 2021A	3.00% - 5.00%	05/06/2021	2052	271,525	253,195
Airport, Series 2021B	3.00% - 5.00%	05/06/2021	2052	108,420	95,050
Airport, Series 2022A	4.00% - 5.00%	06/02/2022	2053	298,705	290,270
Airport, Series 2022B	4.25% - 5.00%	06/02/2022	2053	74,225	72,160
Airport, Series 2023A	5.00% - 5.25%	09/28/2023	2054	256,875	256,875
Airport, Series 2023B	5.00% - 5.25%	09/28/2023	2054	110,285	110,285
Airport, Series 2025A	5.00% - 5.25%	06/11/2025	2056	265,595	265,595
Airport, Series 2025B	5.00% - 5.25%	06/11/2025	2045	25,405	25,405
Total Airport					<u>1,800,355</u>
Total Business-type Activities					<u>\$ 3,978,605</u>

Interest on the variable-rate bonds is determined by a remarketing agent based upon market conditions.

The principal and interest on the Water and Sewer and Storm Water Revenue Bonds are payable from net revenues of the water and sewer and storm water systems, respectively. Pursuant to the general trust indentures, the City has covenanted to charge rates that produce net revenues which (1) including 50 percent of the surplus fund, after providing for a two-month operating reserve, are at least 120 percent of the principal and interest requirements plus 100 percent of non-revenue bond debt service requirements and (2) are at least 110 percent of the principal and interest requirements plus 100 percent of non-revenue bond debt service requirements. Based on the fiscal year 2025 Water and Sewer Fund budgets, revenue bond debt service coverage was at least 2.8 percent. Based on the fiscal year 2025 Storm Water Fund budgets, revenue bond debt service coverage was at least 3.2 percent.

The principal and interest on the Airport Revenue bonds are payable from net revenues of the Airport. Pursuant to the Revenue Bond Order, the City has covenanted to charge rates which produce revenues sufficient to cover principal and interest payments.

The revenue bonds do not constitute a legal or equitable pledge, charge, lien or encumbrance upon any of the City's property or upon any of its income, receipts or revenues, except as provided in the Revenue Bond Orders or Lease. Neither the credit nor the taxing power of the City is pledged for the payment of the principal or interest, and no owner has the right to compel the exercise of the taxing power of the City or the forfeiture of any of its property in connection with any default under the Revenue Bond Orders or Lease.

Revenue bond debt service requirements to maturity are as follows:

Year Ending June 30	<u>Business-type Activities</u>					
	Water and Sewer		Storm Water		Airport	
	Principal	Interest	Principal	Interest	Principal	Interest
2026	\$ 65,990	\$ 85,207	\$ 8,820	\$ 12,007	\$ 37,705	\$ 77,544
2027	69,615	81,829	9,250	11,578	43,795	82,104
2028	73,065	78,262	9,715	11,104	47,465	79,823
2029	64,350	74,827	10,210	10,606	47,805	77,441
2030	67,595	71,528	10,720	10,101	55,300	74,864
2031-2035	391,660	303,247	58,800	42,300	294,795	332,607
2036-2040	402,575	208,464	50,060	30,249	317,075	259,710
2041-2045	258,050	141,105	54,650	19,918	324,895	185,274
2046-2050	270,115	79,131	49,690	10,983	367,850	106,014
2051-2055	216,405	23,521	36,915	3,346	247,190	28,416
2056	—	—	—	—	16,480	433
	<u>\$ 1,879,420</u>	<u>\$ 1,147,121</u>	<u>\$ 298,830</u>	<u>\$ 162,192</u>	<u>\$ 1,800,355</u>	<u>\$ 1,304,230</u>

CITY OF CHARLOTTE, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2025

(Dollar Amounts in Thousands)

(3) Installment Purchases

The following table summarizes the City's installment purchases:

Purpose	Interest Rates	Date Issued	Final Maturity	Original Issue	Balance June 30, 2025
Governmental Activities:					
Convention Center, Refunding Series 2016A	5.00%	06/01/2016	2026	\$ 33,010	\$ 2,525
Convention Center, Series 2019A	4.00% - 5.00%	04/25/2019	2049	101,955	91,810
Convention Center, Refunding Series 2019A	4.00% - 5.00%	04/25/2019	2034	18,995	13,070
Hall of Fame, Series 2009D	Variable	07/30/2009	2035	100,000	54,515
Hall of Fame, Refunding Series 2019C	3.00% - 4.00%	06/04/2019	2039	34,935	34,935
Tourism, Refunding Series 2023B	5.00%	10/31/2023	2033	85,065	73,940
Cultural Facilities, Refunding Series 2019B	4.00% - 5.00%	06/04/2019	2039	96,975	76,980
Public Safety, Series 2014A	3.00% - 5.00%	03/27/2014	2034	16,225	7,290
Public Safety, Series 2018	3.125% - 5.00%	11/08/2018	2039	56,610	39,595
Equipment and Facilities, Series 2021B	5.00%	10/21/2021	2027	4,145	1,655
Equipment and Facilities, Series 2021B	5.00%	10/21/2021	2032	7,405	5,180
Equipment and Facilities, Series 2021B	2.125% - 5.00%	10/21/2021	2042	96,050	84,625
Equipment and Facilities, Refunding Series 2024	5.00%	04/24/2024	2033	17,205	15,465
Equipment and Facilities, Series 2024	5.00%	04/24/2024	2034	11,450	10,305
Equipment and Facilities, Series 2024	5.00%	04/24/2024	2044	78,850	77,580
Installment Financing Contract, 2025, Direct Placement	Variable	04/17/2025	2030	91,213	91,213
Total Governmental Activities					<u>\$ 680,683</u>
Business-type Activities:					
Water and Sewer:					
Equipment, 2022, Direct Placement	1.498%	03/15/2022	2027	\$ 10,005	\$ 3,421
Equipment and Facilities, Series 2024	5.00%	04/24/2024	2029	14,000	11,200
Total Water and Sewer					<u>14,621</u>
Storm Water:					
Equipment, 2022, Direct Placement	1.498%	03/15/2022	2027	1,495	511
Total Storm Water					<u>511</u>
Public Transit:					
Equipment and Facilities, Refunding Series 2013C	2.00% - 5.00%	05/07/2013	2033	47,845	24,550
Equipment and Facilities, Refunding Series 2015B	2.00% - 5.00%	06/18/2015	2035	56,470	33,965
Equipment and Facilities, Refunding Series 2021A	1.00% - 5.00%	08/03/2021	2048	164,730	147,610
Total Public Transit					<u>206,125</u>
Total Business-type Activities					<u>\$ 221,257</u>

Interest on the variable-rate installment purchases is determined by a remarketing agent based upon market conditions. The City entered into an interest rate swap agreement for the variable rate Hall of Fame 2009D. See note 4.j.9 for additional information concerning derivative instruments.

These installment purchase contracts are non-general obligation financings. In accordance with State statutes, no deficiency judgment may be rendered against the City for amounts owed and the taxing power of the City may not be pledged directly or indirectly to collateralize amounts due pursuant to these contracts.

The City's outstanding non-direct and direct placement installment purchases of \$680,683 are secured with collateral of public safety, convention center, cultural arts, NASCAR Hall of Fame, and other government facilities.

The City enters into installment purchase contracts for the purchase of capital equipment. These financings are payable over five years.

Water and Sewer's outstanding non-direct and direct placement installment purchases of \$14,621 and Storm Water's outstanding direct placement installment purchase of \$511 are secured with collateral of equipment purchased. The City's outstanding installment purchases of \$206,125 for Public Transit are secured with collateral of transit-related facilities and parking decks.

Installment purchases debt service requirements to maturity are as follows:

		<u>Direct Placements</u>			
Year Ending	June 30	Principal	Interest	Principal	Interest
2026		\$ 35,895	\$ 26,454	\$ –	\$ 3,045
2027		34,450	24,770	–	3,120
2028		35,545	23,087	–	3,120
2029		36,710	21,349	–	3,119
2030		40,725	19,486	91,213	2,738
2031-2035		186,230	69,276	–	–
2036-2040		141,445	31,378	–	–
2041-2045		55,185	10,907	–	–
2046-2050		23,285	2,432	–	–
		<u>\$ 589,470</u>	<u>\$ 229,139</u>	<u>\$ 91,213</u>	<u>\$ 15,142</u>

		<u>Business-type Activities</u>							
		<u>Water And Sewer</u>				<u>Storm Water</u>		<u>Public Transit</u>	
		<u>Direct Placements</u>				<u>Direct Placements</u>			
Year Ending	June 30	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2026		\$ 2,800	\$ 490	\$ 2,272	\$ 43	\$ 339	\$ 6	\$ 10,295	\$ 7,685
2027		2,800	350	1,149	8	172	1	10,780	7,197
2028		2,800	210	–	–	–	–	11,215	6,770
2029		2,800	70	–	–	–	–	11,585	6,397
2030		–	–	–	–	–	–	12,145	5,839
2031-2035		–	–	–	–	–	–	61,705	20,869
2036-2040		–	–	–	–	–	–	30,050	11,510
2041-2045		–	–	–	–	–	–	34,835	6,724
2046-2048		–	–	–	–	–	–	23,515	1,425
		<u>\$ 11,200</u>	<u>\$ 1,120</u>	<u>\$ 3,421</u>	<u>\$ 51</u>	<u>\$ 511</u>	<u>\$ 7</u>	<u>\$ 206,125</u>	<u>\$ 74,416</u>

(4) Installment Purchases Draw Program

The City has available a direct placement certificates of participation draw program to finance improvement and renovation projects for various City facilities. The aggregate principal amount of the certificate program outstanding at any one time shall not exceed \$110,000. The certificate program does not constitute a general obligation or other indebtedness of the City, and does not constitute a direct or indirect pledge of the faith and credit or taxing power of the City. In addition, the City has entered into a Certificate Purchase and Advance Agreement. The certificate will be replaced by certificates of participation. The certificate will mature no later than the third anniversary of the closing date or September 21, 2026. The City had direct placement certificates payable of \$110,000 outstanding at June 30, 2025. Interest rates are based upon market conditions.

(Dollar Amounts in Thousands)

Direct placement certificates of participation draw program debt service requirements to maturity are as follows:

<u>Governmental Activities</u>		
<u>Year Ending</u> <u>June 30</u>	<u>Principal</u>	<u>Interest</u>
2026	\$ —	\$ 4,105
2027	110,000	933
	<u>\$ 110,000</u>	<u>\$ 5,038</u>

(5) General Obligation Bond Anticipation Note

The City has available a direct placement general obligation bond anticipation note program to finance street improvements, neighborhood improvements, public improvements and housing projects. The aggregate principal amount of the note outstanding at any one time shall not exceed \$200,000. The note is a general obligation of the City, and the City has pledged its faith and credit to the payment of the principal of and interest on the note. In addition, the City has entered into a Note Purchase and Advance Agreement. The note will be replaced by general obligation bonds. The note will mature no later than the third anniversary of the closing date or November 7, 2026. The City had direct placement general obligation bond anticipation notes payable of \$139,829 outstanding at June 30, 2025. Interest rates are based upon market conditions.

Direct placement general obligation bond note debt service requirements to maturity are as follows:

<u>Governmental Activities</u>		
<u>Year Ending</u> <u>June 30</u>	<u>Principal</u>	<u>Interest</u>
2026	\$ —	\$ 5,148
2027	\$ 139,829	\$ 1,833
	<u>\$ 139,829</u>	<u>\$ 6,981</u>

(6) Revenue Bond Anticipation Note

The City has available a Water and Sewer direct placement revenue bond anticipation note program to finance the cost of water and sewer system improvements. The aggregate principal amount of the note outstanding at any one time shall not exceed \$500,000. The note is payable from net revenues of the water and sewer systems. The note does not constitute a legal or equitable pledge, charge, lien or encumbrance upon any of the City's property or upon any of its income, receipts or revenues, except as provided in the Revenue Bond Orders. Neither the credit nor the taxing power of the City is pledged for the payment of the principal or interest, and no owner has the right to compel the exercise of the taxing power of the City or the forfeiture of any of its property in connection with any default on the note. In addition, the City has entered into a Note Purchase and Advance Agreement. The note will be replaced by water and sewer revenue bonds. The note will mature no later than the third anniversary of the closing date or June 26, 2027. The City had direct placement Water and Sewer revenue bond anticipation notes payable of \$301,506 outstanding at June 30, 2025. Interest rates are based upon market conditions.

The City has available an Airport direct placement revenue bond anticipation note program to finance the cost of Airport improvements. The aggregate principal amount of the note outstanding at any one time shall not exceed \$280,000. The note is payable from net revenues of the Airport. The note does not constitute a legal or equitable pledge, charge, lien or encumbrance upon any of the City's property or upon any of its income, receipts or revenues, except as provided in the Revenue Bond Orders. Neither the credit nor the taxing power of the City is pledged for the payments of the principal or interest, and no owner has the right to compel the exercise of the taxing power of the City or the forfeiture of any of its property in connection with any default on the note. In addition, the City has entered into a Note Purchase and Advance Agreement. The note will be replaced by general Airport revenue bonds. The note will mature no later than the third anniversary of the closing date or September 28, 2026. The City had Airport direct placement revenue bond anticipation notes payable of \$23,106 outstanding at June 30, 2025. Interest rates are based upon market conditions.



Direct placement revenue bond anticipation note debt service requirements to maturity are as follows:

Year Ending June 30	Business-type Activities			
	Water and Sewer		Airport	
	Principal	Interest	Principal	Interest
2026	\$ —	\$ 11,642	\$ —	\$ 871
2027	301,506	11,514	23,106	215
	<u>\$ 301,506</u>	<u>\$ 23,156</u>	<u>\$ 23,106</u>	<u>\$ 1,086</u>

(a) Federal Revolving Loan

Pursuant to the North Carolina Clean Water Revolving Loan & Grant Act of 1987 and the Federal Clean Water Act Amendments of 1987 and the American Recovery and Reinvestment Act of 2009, the City utilized loan proceeds to construct clean water infrastructures. The direct borrowing loans to be repaid are one-half of the total project costs reimbursed with zero percent interest. Principal is forgiven for one-half of the total project costs reimbursed.

Debt service requirements to maturity are as follows:

Business-type Activities	
Year Ending June 30	Principal
2026	\$ 66
2027	66
2028	66
2029	66
2030	66
2031-2033	118
	<u>\$ 448</u>

(b) State Revolving Loan

Pursuant to the North Carolina Clean Water Revolving Loan & Grant Act of 1987, the City was awarded direct borrowing state revolving loans through the North Carolina Department of Environmental Quality. The City utilized loan proceeds to construct wastewater treatment works projects. The maximum loan term is twenty years. As of June 30, 2025, interest rates varied from zero to 1.71 percent.

(Dollar Amounts in Thousands)

Debt service requirements to maturity are as follows:

Year Ending June 30	<u>Business-type Activities</u>	
	Principal	Interest
2026	\$ 5,401	\$ 1,203
2027	5,401	1,186
2028	5,401	1,116
2029	5,401	1,046
2030	5,401	976
2031-2035	27,005	3,828
2036-2040	26,326	2,074
2041-2045	13,329	438
	<u>\$ 93,665</u>	<u>\$ 11,867</u>

(7) Leases

The City has entered into agreements to lease certain land, office and warehouse facilities, machinery, and other equipment. The lease agreements have been recorded at the present value of the future lease payments as of the date of their inception. The terms and conditions for these leases vary and generally contain renewal options for periods ranging from 1 to 29 years. If the City is not reasonably certain to exercise these renewal options, the options are not considered in determining the lease term and associated potential option payments are excluded from the present value calculation of the right to use lease asset and the lease liability determination. The City's leases generally do not include termination options for either party to the lease or restrictive financial or other covenants. As a result of the leases, the City has recorded the right to use assets with a total net book value of \$15,250 for governmental activities and \$14,143 for business-type activities. The right to use assets are discussed in more detail in section 4f of this note.

Payments due under the lease contracts include fixed, periodic payments over the lease terms plus, for many of the City's leases, variable and non lease component payments. For the City's leases, variable lease payments that depend on future performance or usage of the underlying asset and non lease components are excluded from the measurement of the lease liability and recognized as outflows of resources.

In fiscal year 2025, the City recognized \$1,990 in variable lease payments not previously included in the measurement of the lease liability. As of June 30, 2025, the City's lease payables were valued at \$20,599.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2025, were as follows:

<u>Governmental Activities</u>								
Year Ending June 30	Principal		Interest					
2026	\$	2,279	\$	388				
2027		2,316		339				
2028		1,887		294				
2029		1,353		265				
2030		1,283		239				
2031-2035		3,875		849				
2036-2040		2,245		304				
2041-2045		315		163				
2046-2050		456		99				
2051-2055		345		18				
	\$	16,354	\$	2,958				

<u>Business-type Activities</u>								
Year Ending June 30	Water and Sewer		Storm Water		Airport		Public Transit	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2026	\$ 418	\$ 79	\$ 9	\$ 1	\$ 196	\$ 16	\$ 74	\$ 4
2027	440	72	9	–	201	11	76	2
2028	438	60	5	–	176	7	39	–
2029	292	50	–	–	150	3	–	–
2030	310	42	–	–	50	1	–	–
2031-2033	1,362	76	–	–	–	–	–	–
	\$ 3,260	\$ 379	\$ 23	\$ 1	\$ 773	\$ 38	\$ 189	\$ 6

(8) Subscription-Based Information Technology Arrangements (SBITAs)

The City has entered into subscription-based information technology arrangements (SBITAs). The SBITA agreements have been recorded at the present value of the future subscription payments as of the date of their inception. Accordingly, the City's estimated incremental borrowing rates of 2.41% to 3.57% were used to discount the SBITA payments. As a result of the subscriptions, the City has recorded the right to use assets with a total net book value of \$67,142 for governmental activities and \$6,512 for business-type activities. The SBITA liability balance was \$37,162 at June 30, 2025.

The future minimum subscription obligations and the net present value of these minimum payments as of June 30, 2025, were as follows:

<u>Governmental Activities</u>		
Year Ending June 30	Principal	Interest
2026	\$ 9,652	\$ 967
2027	6,293	679
2028	5,293	491
2029	3,372	333
2030	1,918	230
2031-2035	5,680	346
	\$ 32,208	\$ 3,046

CITY OF CHARLOTTE, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2025

(Dollar Amounts in Thousands)

Year Ending June 30	Water and Sewer		Business-type Activities Airport		Public Transit	
	Principal	Interest	Principal	Interest	Principal	Interest
2026	\$ 1,128	\$ 59	\$ 1,291	\$ 66	\$ 300	\$ 12
2027	480	25	1,049	37	115	3
2028	285	11	241	7	—	—
2029	65	2	—	—	—	—
2030	—	—	—	—	—	—
	<u>\$ 1,958</u>	<u>\$ 97</u>	<u>\$ 2,581</u>	<u>\$ 110</u>	<u>\$ 415</u>	<u>\$ 15</u>

(9) Derivative Instruments

The fair value balances and notional amounts of derivative instruments outstanding at June 30, 2025 classified by type, and the changes in fair value of such derivative instruments for the year ended are as follows:

	Changes in Fair Value		Fair Value at June 30, 2025		
	Classification	Amount	Classification	Amount	Notional
<u>Governmental Activities</u>					
Cash flow hedges:					
Pay-fixed interest rate swap	Deferred outflow	\$ (1,015)	Debt	\$ (3,069)	\$ 54,515

The mid-market values of the interest rate swaps were estimated using the income approach. This method calculates the future net settlement payments required by the swap, assuming that the current forward rates implied by the yield curve correctly anticipate future spot interest rates. These payments are then discounted to a single net present value amount. The interest rate swaps are classified in Level 3 as the valuation relies primarily on unobservable inputs.

The following table displays the objective and terms of the City's hedging derivative instruments outstanding at June 30, 2025 along with the credit rating of the associated counterparty:

Type	Objective	Notional Amount	Effective Date	Maturity Date	Terms	Counterparty Credit Rating
Pay-fixed interest rate swap	Hedge of changes in cash flows on the 2009D Hall of Fame Certificates of Participation	\$ 54,515	8/18/2009	6/1/2035	Pay 4.725%; receive SOFR	Aa2/A+

Interest Rate Risk: The City is exposed to interest rate risk on its interest rate swaps. On its pay-fixed, receive-variable interest rate swaps, as SOFR decreases, the City's net payment on the swaps increases.

Basis Risk: The City's hedging derivative instruments expose the City to basis risk since the variable payment received from the counterparty is determined on a basis different from that used to calculate the bond floating rate for the associated bonds. As of June 30, 2025, the rate received by the City for the 2009D agreement was 4.43 percent, whereas the bond floating rate paid by the City was 4.42 percent.

Termination Risk: Either the City or its counterparties may terminate the hedging derivative instruments if the other party fails to perform under the terms of the contract. Termination could result in the City being required to make a termination payment.

Rollover Risk: The City is exposed to rollover risk on hedging derivative instruments that are hedges of debt that may be terminated prior to the maturity of the hedged debt. If the option to terminate the hedging derivative instrument is exercised, then the City will be re-exposed to the risks being hedged by the hedging derivative instrument.

Hedging Derivative Instrument Payments and Hedged Debt: As of June 30, 2025, aggregate debt service requirements of the City's variable-rate debt and net receipts/payments on associated hedging derivative instruments are as follows. These amounts assume that current interest rates on variable-rate bonds and the current reference rates of hedging derivative instruments will remain the same for their term. As these rates vary, interest payments on variable-rate bonds and net receipts/payments on the hedging derivative instruments will vary.

Year Ending June 30	Governmental Activities			
	Variable-Rate Instruments		Hedging Derivatives, Net	Total
	Principal	Interest		
2026	\$ 4,555	\$ 2,403	\$ 171	\$ 7,129
2027	4,805	2,208	153	7,166
2028	5,065	1,996	138	7,199
2029	5,355	1,772	122	7,249
2030	5,655	1,535	106	7,296
2031-2035	29,080	3,639	251	32,970
	<u>\$ 54,515</u>	<u>\$ 13,553</u>	<u>\$ 941</u>	<u>\$ 69,009</u>

Commitments: The City's derivative instruments include provisions that require the City to post collateral in the event its credit rating falls below A3 by Moody's and A- by S&P. The hedging derivative instruments will be collateralized at fair value with cash and/or U.S. government securities. Collateral will be posted with the City or its agent. At June 30, 2025 the aggregate fair value of all hedging derivative instruments with these collateral posting provisions is (\$3,069). If the collateral posting requirements were triggered at June 30, 2025 the City would not be required to post collateral to its counterparties because they had negative fair values. The City's general obligation debt rating is Aaa from Moody's and AAA from S&P; therefore, no collateral has been posted at June 30, 2025.

(10) Refundings

In August 2024, the City issued \$59,995 in General Obligation Refunding Bonds, Series 2024 with a fixed interest rate of 5.00 percent. The net proceeds from this current refunding of \$65,755 (after payment of \$476 in underwriting fees and other issue costs) were used to refund \$65,550 of outstanding fixed rate General Obligation Refunding Bonds, Series 2014A. The refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$11,364. This difference, reported in the accompanying financial statements as a gain on refundings, is being charged to operations through the year 2035 using the straight-line method. The City completed the refunding to reduce the total debt service payments over a period of 10 years by \$5,226 and to obtain an economic gain (difference between the present values of the old and new debt service payments) of \$4,551.

In September 2024, the City issued \$181,295 in Storm Water Fee Revenue Refunding Bonds, Series 2024 with interest rates ranging from 4.00 to 5.00 percent. The net proceeds from this current refunding of \$197,230 (after payment of \$1,007 in underwriting fees and other issue costs) were used to refund \$72,415 of outstanding fixed rate Storm Water Refunding Revenue Bonds, Series 2014 and pay off \$124,900 of outstanding Revenue Bond Anticipation Notes, Series 2022. The refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$9,274. This difference, reported in the accompanying financial statements as a gain on refundings, is being charged to operations through the year 2044 using the straight-line method. The City completed the refunding to reduce the total debt service payments over a period of 30 years by \$7,568 and to obtain an economic gain (difference between the present values of the old and new debt service payments) of \$5,410.

(Dollar Amounts in Thousands)

In June 2025, the City issued \$265,595 in Airport Revenue Bonds, Series 2025A with interest rates ranging from 5.00 to 5.25 percent. The net proceeds of \$278,307 (after payment of \$2,210 in underwriting fees and other issue costs) and \$10,212 in debt service reserve funds were used to refund \$51,565 of outstanding fixed rate Airport Revenue Bonds, Series 2014A, finance the costs of various improvements to the Charlotte Douglas International Airport, and fund the debt service reserve funds for the 2025A bonds. The refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$7,545. This difference, reported in the accompanying financial statements as a gain on refundings, is being charged to operations through the year 2035 using the straight-line method. The City completed the refunding to reduce the total debt service payments over a period of 20 years by \$16,515 and to obtain an economic gain (difference between the present values of the old and new debt service payments) of \$14,079.

(11) Other Debt Information

In prior years, the City defeased certain general obligation and other bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's financial statements. At June 30, 2025, \$22,900 of bonds outstanding are considered defeased.

As of June 30, 2025, the City has authorized but unissued bonds of \$773,983 consisting of \$474,434 for street improvements, \$150,000 for housing and \$149,549 for neighborhood improvements.

Pursuant to the North Carolina General Statutes, the City's outstanding general obligation debt is subject to a legal limitation based on eight percent of the total assessed value of real and personal property. As of June 30, 2025, the City's legal debt limit was \$17,986,542. The outstanding debt subject to this limit was \$2,590,756, leaving a net legal debt margin of \$15,395,786.

In accordance with Section 148 of the Internal Revenue Code of 1986, as amended, and Sections 1.103-13 to 1.103-15 of the related Treasury Regulations, the City must rebate to the federal government "arbitrage profits" earned on governmental bonds issued after August 31, 1986. Arbitrage profits are the excess of the amount earned on investments over the interest paid on the borrowings. At June 30, 2025, the City had a liability of \$1,544 for estimated arbitrage profits payable from business-type activities.

Under an irrevocable letter of credit issued by Truist Bank, the City is entitled to draw an amount sufficient to pay the amount demanded under the sewer construction contract between the City and Classic Neighborhood Development, LLC (the total amount not to exceed \$256). The letter of credit is valid through February 27, 2026 (automatically extended for successive one-year periods, unless Truist Bank notifies the City at least 30 days before the then current expiration date that issuer elects not to extend the expiration date).

In the event of default of any City debt, the City agrees to pay the purchaser on-demand interest on any and all amounts due and owing by the City under the related documents. Within the various credit entities of the City, new debt is issued on parity with existing debt. General obligation debt is backed by the full faith and credit of the City, installment purchase contracts are backed by pledged collateral, and revenue bonds are backed by revenue bond covenants.

(12) Early Extinguishment

On June 11, 2025, the City early redeemed \$5,185 of the Airport Series 2014A revenue bonds.

k. Fund Balance

The following schedule provides information on the portion of General fund balance that is available for appropriation:

Total fund balance - General Fund	\$ 239,163
Less:	
Nonspendable Leases	889
Nonspendable Prepaid Items	187
Long-term Notes Receivables	8,000
Stabilization by State Statute	79,116
Fund balance policy	150,960
Remaining Fund Balance - Committed for Capital Projects	<u>\$ 11</u>

5. PENSION PLANS AND OTHER BENEFITS

Primary Government: The City participates in the North Carolina Local Governmental Employees' Retirement System (LGERS), administered by the State of North Carolina; the Charlotte Firefighters' Retirement System (System), administered through a board of trustees; and the Law Enforcement Officers' Special Separation Allowance (LEOSSA) managed by the City. The City also participates in a Supplemental Retirement Income Plan for Law Enforcement Officers.

The Statement of Net Position consolidates the deferred outflows of resources, pension liability and deferred inflows of resources related to pensions for LGERS and System (net pension liability) and LEOSSA (total pension liability) as follows:

	LGERS	Firefighters' System	LEOSSA	Total
Deferred Outflows of Resources - City contributions subsequent to the measurement date	\$ 85,498	\$ 28,307	\$ 6,268	\$ 120,073
Other Deferred Outflows	130,119	388,096	12,953	531,168
Pension Liability	418,136	520,061	161,072	1,099,269
Deferred Inflows of Resources - Pension deferrals	8,298	326,215	16,267	350,780
Pension Expense	122,186	62,935	18,021	203,142

Detailed information for all plans follows.

(Dollar Amounts in Thousands)

a. Local Governmental Employees' Retirement System (LGERS)

Plan Description: The City of Charlotte and the Charlotte Regional Visitors Authority (Authority), a component unit of the City, are participating employers in the statewide Local Governmental Employees' Retirement System (LGERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS membership is comprised of general employees and local law enforcement officers (LEO) of participating local governmental entities. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS 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 Local Governmental Employees' Retirement System is included in the Annual Comprehensive Financial Report (ACFR) for the State of North Carolina. The State's ACFR includes financial statements and required supplementary information for LGERS. 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) 707-0500, or at www.osc.nc.gov.

Benefits Provided: LGERS provides retirement and survivor benefits. Retirement benefits are determined at 1.85 percent 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. 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. 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.

LGERS plan members who are LEOs are eligible to retire with full retirement benefits at age 55 with five years of creditable service as an officer, or at any age with 30 years of creditable service. LEO plan members are eligible to retire with partial retirement benefits at age 50 with 15 years of creditable service as an officer. Survivor benefits are available to eligible beneficiaries of LEO members who die while in active service or within 180 days of their last day of service and who also have either completed 20 years of creditable service regardless of age, or have completed 15 years of service as a LEO and have reached age 50, or have completed five years of creditable service as a LEO and have reached age 55, or have completed 15 years of creditable service as a LEO if killed in the line of duty. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions.

Contributions: Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. City of Charlotte and Authority plan members are required to contribute six percent of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. Contractually required contribution rates for the year ended June 30, 2025, were 16.08 percent of compensation for law enforcement officers for the City and 14.35 percent for general employees and firefighters for the City and the Authority, 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 City of Charlotte and the Authority, respectively, were \$85,498 and \$3,531 for the year ended June 30, 2025.

Refund of Contributions: City and Authority employees who have terminated service as a contributing member of LGERS, may file an application for a refund of their contributions. By state law, refunds to members with at least five years of service include four percent 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 LGERS.



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

City of Charlotte – At June 30, 2025, the City reported a liability of \$418,136 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2023. The total pension liability was then rolled forward to the measurement date of June 30, 2024 utilizing update procedures incorporating the actuarial assumptions. The City's proportion of the net pension liability was based on a projection of the City'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 LGERS employers, actuarially determined. At June 30, 2024, the City's proportion was 6.202 percent which was a decrease of 0.0788 percent from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the City recognized pension expense of \$122,186. At June 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 73,273	\$ 493
Changes of assumptions	–	–
Net difference between projected and actual earnings on pension plan investments	56,845	–
Changes in proportion and differences between City contributions and proportionate share of contributions	–	7,805
City contributions subsequent to the measurement date	85,498	–
Total	<u>\$ 215,616</u>	<u>\$ 8,298</u>

\$85,498 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	
2026	\$ 35,707
2027	79,955
2028	12,586
2029	(6,428)
	<u>\$ 121,820</u>

Component Unit – At June 30, 2025, the Authority reported a liability of \$17,660 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2023. The total pension liability was then rolled forward to the measurement date of June 30, 2024 utilizing updated procedures incorporating the actuarial assumptions. The Authority's proportion of the net pension liability was based on a projection of the Authority'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 LGERS employers, actuarially determined. At June 30, 2025, the Authority's proportion was 0.262 percent which was an increase of 0.025 percent from its proportion measured as of June 30, 2023.

CITY OF CHARLOTTE, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2025

(Dollar Amounts in Thousands)

For the year ended June 30, 2025, the Authority recognized pension expense of \$5,475. At June 30, 2025, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 3,094	\$ 21
Changes of assumptions	–	–
Net difference between projected and actual earnings on pension plan investments	2,401	–
Changes in proportion and differences between Authority contributions and proportionate share of contributions	962	141
Authority contributions subsequent to the measurement date	3,531	–
Total	<u>\$ 9,988</u>	<u>\$ 162</u>

The amount of \$3,531 reported as deferred outflows of resources related to pensions resulting from Authority contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2025. Other amounts reported as deferred inflows of resources (net of deferred outflows of \$6,458) related to pensions will be recognized in pension expense as follows:

Year Ending June 30	
2026	\$ 1,971
2027	3,880
2028	717
2029	(271)
Thereafter	–
	<u>\$ 6,297</u>

Actuarial Assumptions: The total pension liability in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increases	3.25 to 8.25%, including inflation and productivity factor
Investment rate of return	6.50%, 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, 2023 valuation were based on the results of an actuarial experience study for the period January 1, 2015 through December 31, 2019.

Future ad hoc cost of living adjustment amounts are not considered to be substantively automatic and are, therefore, not included in the measurement.

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, 2024 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed Income	33.0%	2.4%
Global Equity	38.0%	6.9%
Real Estate	8.0%	6.0%
Alternatives	8.0%	8.6%
Opportunistic Fixed Income	7.0%	5.3%
Inflation Sensitive	6.0%	4.3%
Total	<u>100.0%</u>	

The information above is based on 30-year expectations developed with the consulting actuary for the asset, liability and investment policy study for the North Carolina Retirement Systems. 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 2.38 percent. All rates of return and inflation are annualized.

Discount Rate: The discount rate used to measure the total pension liability was 6.50 percent. 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 Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate: The following presents the City and the Authority's proportionate share of the net pension liability calculated using the discount rate of 6.50 percent, as well as what the City and the Authority's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.50 percent) or one percentage point higher (7.50 percent) than the current rate.

	1% Decrease (5.50%)	Discount Rate (6.50%)	1% Increase (7.50%)
City's proportionate share of the net pension liability (asset)	\$ 740,949	\$ 418,136	\$ 152,578
Authority	31,294	17,660	6,444

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

(Dollar Amounts in Thousands)

b. Charlotte Firefighters' Retirement System (System)

Plan Description: The Charlotte Firefighters' Retirement System (System) administers the Charlotte Firefighters' Retirement System Plan, a single-employer defined benefit pension plan. System membership is comprised of civil service employees of the Charlotte Fire Department. Section 12 of G.S. Chapter 926 of the 1947 Session Laws, as amended, officially known as the Charlotte Firefighters' Retirement System Act (Act), assigns the authority to establish and amend benefit provisions to the System. Management of the plan is vested in the System's Board of Trustees, which consists of 11 members – four appointed by the Resident Judge of the Superior Court of Mecklenburg County, three who serve by virtue of their positions with the City of Charlotte, three elected by the members and one elected by the retirees. The System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Charlotte Firefighters' Retirement System, 428 East Fourth Street, Suite 205, Charlotte, North Carolina 28202, or by calling (704) 626-2728.

Plan Membership: At June 30, 2024, the actuarial valuation date, System membership consisted of the following:

Retired participants and beneficiaries currently receiving benefits	876
Terminated participants and beneficiaries entitled to benefits but not yet receiving benefits	20
Active participants	1,115
Total	<u>2,011</u>

Basis of Accounting: For purposes of measuring the net pension liability, deferred outflows of resources related to pensions, and pension expense, information about the fiduciary net position of the System and additions to/ deductions from fiduciary net position have been determined on the same basis as they are reported by the System. Contributions are recognized in the period in which contributions are due. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Interest and dividend income is reported as earned. The net appreciation in the fair value of investments includes realized gains and losses on investments that were both bought and sold during the year.

Benefits Provided: The System provides retirement and permanent and total disability benefits to the uniformed employees of the Fire Department of the City of Charlotte. Retirement benefits are determined as 2.6 percent of the member's final average salary multiplied by the years of credited service. A member's final average salary is calculated as the average monthly compensation received by the member during any two consecutive years of membership which produces the highest average and is contained within the last five years of membership. Plan members are eligible to retire with full retirement benefits at age 60 with five years of creditable service, at age 50 with 25 years of creditable service, or at any age with 30 years of creditable service. Plan members are eligible to retire with partial retirement benefits with 25 years of creditable service. Early retirement benefits are reduced by three percent for each year the early retirement date precedes age 50. Survivor benefits are available to eligible beneficiaries of members who die while in active service. Eligible beneficiaries may elect to receive a lump sum equal to the return of the member's accumulated contributions, plus those contributions made by the City on their behalf, plus interest of four percent per year. In lieu of the lump sum, the beneficiary may elect an annuity which is the actuarial equivalent of the lump sum. The plan does not provide for automatic post-retirement benefit increases.

Contributions: Benefit and contribution provisions are established by State law and may be amended only by the North Carolina legislature. Contributions to the pension plan from the City were \$28,307 for the year ended June 30, 2025.

Refund of Contributions: If an employee ceases employment with less than five years of service credit, accumulated employee contributions are refunded to the employee or designated beneficiary. After five or more years of service, the employee may elect to receive a refund of the employee's accumulated contributions with interest compounded annually at four percent or receive an accrued benefit at age 60.

Method Used to Value Investments: The investments of the System are reported at fair value. Securities and mutual funds traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Mortgages are valued on the basis of future principal and interest payments and are discounted at prevailing interest rates for similar instruments. The fair value of real estate investments is based on independent appraisals. Investments that do not have an established market are reported at estimated fair value.

Investment Policy: The North Carolina Act (Act) which established the System requires the Board of Trustees to act with the same care, skill, prudence and diligence under the circumstances then prevailing, that a prudent person acting in a similar capacity and familiar with those matters would use in the conduct of a similar enterprise with similar aims. The Act requires the Trustees to design an investment plan to further the purpose of the System by giving consideration to the following: (a) diversification of investments, (b) liquidity and return relative to cash flow needs and (c) projected return. In accordance with the Act, the Board of Trustees has developed and periodically revises a policy statement of investment goals, objectives, and guidelines, which specifically define vehicles that may be used for the investment of System funds. The System invests in the U.S. government securities, corporate bonds, common stocks and mutual funds.

Concentrations: The System had individual fixed income or equity investments at June 30, 2025 managed by the following organizations that represented five percent or more of the System's net position:

State Street Global Advisors	37%
Barrow Hanley	9%
Neuberger Berman	9%
Wellington Management Company	6%
Westwood Developed Markets	6%
Lazard / Wilmington Collective Trust	6%

Rate of Return: For the year ended June 30, 2024, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 11.74 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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

At June 30, 2025, the System reported a liability of \$520,061. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2024.

Actuarial Assumptions: The total pension liability in the July 1, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increases	3.75% to 9.00%, including inflation
Investment rate of return	7.00%, net of pension plan investment expense, including inflation

Mortality rates were based on The Pub-2010 Safety Retiree Headcount-Weighted Below Median Mortality Table adjusted by 87.5 percent for males projected generationally with Scale MP-2019 for the period after service retirement. The Pub-2010 Safety Disabled Retiree Headcount-Weighted Mortality Table projected generationally with Scale MP-2019 is used for the period after disability retirement. The Pub-2010 Safety Employee Headcount-Weighted Mortality Table projected generationally with projection Scale MP-2019 is used for deaths in active service.

(Dollar Amounts in Thousands)

The actuarial assumptions used in the July 1, 2024 valuation were based on the results of an actuarial experience study for the period July 1, 2014 through June 30, 2019.

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These 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 percentage and by adding expected inflation.

The target asset 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
Broad Domestic Equity	36.0%	5.8%
International Equity	26.0%	6.6%
Domestic Fixed Income	23.0%	1.0%
Non U.S. Fixed Income	5.0%	0.3%
Real Estate	10.0%	4.9%
Total	100.0%	

Discount Rate: The discount rate used to measure the total pension liability was 5.40 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions and employer contributions will be made at the current contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments of 7 percent was applied to all periods of projected benefit payments. The Single Equivalent Interest Rate (SEIR) of 5.40 percent was used to determine the total pension liability as of June 30, 2024.

Changes in the Net Pension Liability:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances at June 30, 2023	\$ 1,153,958	\$ 603,781	\$ 550,177
Service cost	40,816	—	40,816
Interest	57,931	—	57,931
Benefit Changes	—	—	—
Difference between expected and actual experience	4,033	—	4,033
Changes of assumptions or other inputs	(40,724)	—	(40,724)
Contributions-employer	—	20,621	(20,621)
Contributions-employee	—	13,700	(13,700)
Net investment income	—	58,675	(58,675)
Benefit payments, including refunds of employee contributions	(49,393)	(49,393)	—
Administrative expense	—	(794)	794
Other Changes	—	(30)	30
Balances at June 30, 2024	\$ 1,166,621	\$ 646,560	\$ 520,061

Sensitivity of the Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate: The following presents the System's net pension liability calculated using the discount rate of 5.40 percent, as well as what the net pension asset or net pension liability would be if it were calculated using a discount rate that is one percentage point lower (4.40 percent) or one percentage point higher (6.40 percent) than the current rate:

	1% Decrease 4.40%	Discount Rate 5.40%	1% Increase 6.40%
System's net pension liability	\$ 682,622	\$ 520,061	\$ 386,505

For the year ended June 30, 2025, the System recognized pension expense of \$62,935. At June 30, 2025, the System reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 45,206	\$ 785
Changes of assumptions	326,236	325,430
Net difference between projected and actual earnings on pension plan investments	16,654	–
City contributions subsequent to the measurement date	28,307	–
Total	<u>\$ 416,403</u>	<u>\$ 326,215</u>

\$28,307 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	
2026	\$ 13,570
2027	37,042
2028	6,297
2029	(9,953)
2030	24,651
Thereafter	(9,726)
	<u>\$ 61,881</u>

CITY OF CHARLOTTE, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2025

(Dollar Amounts in Thousands)

Below are the Statement of Net Position and Statement of Changes in Net Position for the Firefighters' Retirement Pension Trust:

Statement of Net Position

Assets:	
Cash, cash equivalents and investments	\$ 7,234
Receivables:	
Employer contributions	758
Member contributions	327
Interest and dividends	993
Insurance recovery	64
Total receivables	<u>2,142</u>
Prepaid items	5
Investments:	
Equity securities - stocks	84,888
Fixed income securities - bonds	156,525
Mutual funds	462,498
Total investments	<u>703,911</u>
Capital assets	672
Less accumulated depreciation	632
Total capital assets, net	<u>40</u>
Total assets	<u>713,332</u>
Liabilities:	
Accounts payable	<u>1,007</u>
Net Position:	
Restricted for pensions	<u>\$ 712,325</u>

Statement of Changes in Net Position

Additions:	
Contributions-	
Member	\$ 14,539
Employer	28,307
Total contributions	<u>42,846</u>
Investment income -	
Net appreciation in fair value of investments	68,551
Interest	5,856
Dividends	4,081
Total investment income	<u>78,488</u>
Investment expense	<u>2,836</u>
Net investment income	<u>75,652</u>
Insurance recovery	50
Total additions	<u>118,548</u>
Deductions:	
Benefits	51,009
Refunds	838
Administration	919
Depreciation	17
Total deductions	<u>52,783</u>
Change in net position	<u>65,765</u>
Net position - beginning	646,560
Net position - ending	<u>\$ 712,325</u>

c. Law Enforcement Officers' Special Separation Allowance (LEOSSA)

Description: The City of Charlotte administers a public employee retirement system (LEOSSA), a single employer defined benefit pension plan that provides retirement benefits to the City's qualified sworn law enforcement officers under the age of 62 who have completed at least 30 years of creditable service or have attained 55 years of age and have completed five or more years of creditable service. The LEOSSA is equal to 0.85 percent of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service. The retirement benefits are not subject to any increases in salary or retirement allowances that may be authorized by the General Assembly. Article 12D of G.S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. A stand-alone financial report is not issued for the LEOSSA.

All full-time law enforcement officers of the City are covered by the LEOSSA. At December 31, 2023, the LEOSSA's membership consisted of:

Inactive plan members currently receiving benefits	537
Active plan members	1,679
Total	<u>2,216</u>

Basis of Accounting: The City has chosen to fund the LEOSSA on a pay-as-you-go basis. Pension expenditures are made from the General fund, which is maintained on the modified accrual basis of accounting. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

The LEOSSA has no assets accumulated in a trust that meet the criteria in GASB Statement 73.

Actuarial Assumptions: The entry age actuarial cost method was used in the December 31, 2023 valuation. The total pension liability in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increases	3.25% to 7.75%, including inflation and productivity factor
Discount rate	4.28%

Discount Rate: The discount rate used to measure the TLP is the S&P Municipal Bond 20-year High Grade Rate index.

Mortality Assumption: All mortality rates use Pub-2010 amount-weighted tables.

Mortality Projection: All mortality rates are projected from 2010 using generational improvement with Scale MP-2019.

Deaths After Retirement (Healthy): Mortality rates are based on the Safety Mortality Table for Retirees. Rates for all members are multiplied by 97 percent and Set Forward by 1 year.

Deaths After Retirement (Disabled Members at Retirement): Mortality rates are based on the Non-Safety mortality Table for Disabled Retirees. Rates are Set Back 3 years for all ages.

Deaths After Retirement (Survivors of Deceased Members): Mortality rates are based on the Below-median Teachers Mortality Table for the Contingent Survivors. Rates for the male members are Set Forward 3 years. Rates for female members are Set Forward 1 year. Because the contingent survivor tables have no rates prior to age 45, the Below-median Teachers Mortality Table for Employees is used for ages less than 45.

Deaths Prior to Retirement: Mortality rates are based on the Safety Mortality Table for Employees.

(Dollar Amounts in Thousands)

December 31, 2023 is the actuarial valuation date upon which the TPL is based. The result was rolled forward using standard actuarial techniques to the Measurement Date. The roll forward calculation adds the annual normal cost (also called the service cost), subtracts the actual benefit payments for the plan year and then applies interest for the year. The procedure used to determine the TPL as of December 31, 2024 is shown in the following table:

	TPL Reported for Year Ending 2023	Development of TPL for Year Ending 2024 Prior to Assumption Change	Development of TPL for Year Ending 2024 after Assumption Change
TPL Roll Forward			
Interest Rate	4.00%	4.00%	4.28%
Valuation Date for Measurement	12/31/2022	12/31/2023	12/31/2023
TPL as of December 31, 2023	\$ 164,649	\$ 165,694	\$ 162,577
Entry Age Normal Cost for the period January 1, 2024 - December 31, 2024 at the End of the Year	4,742	4,742	4,493
Actual Benefit Payments for the Period January 1, 2024 - December 31, 2024 at the End of the Year	12,684	12,684	12,684
TPL as of December 31, 2024	\$ 163,040	\$ 164,127	\$ 161,072
Experience Actuarial (Gain)/Loss		\$ 1,087	
Discount Rate Change (Gain)/Loss			\$ (3,055)

No significant changes, other than the change in the Municipal Bond Index Rate, have occurred between the Valuation Date and the Measurement Date.

Contributions: The City is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund amounts necessary to cover the benefits earned on a pay-as-you-go basis through appropriations made in the General Fund operating budget. The City's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. Administration costs of the LEO Separation are financed through investment earnings. The City paid \$12,684 as benefits came due for the reporting period.

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

At June 30, 2025, the LEOSSA reported a total pension liability of \$161,072. The total pension liability was measured as of December 31, 2024 based on a December 31, 2023 actuarial valuation. The total pension liability was then rolled forward to the measurement date of December 31, 2024 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2025, the City recognized pension expense of \$18,021.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 8,005	\$ 2,391
Changes of assumptions and other inputs	4,948	13,876
City contributions subsequent to the measurement date	—	—
Total	\$ 12,953	\$ 16,267

(Dollar Amounts in Thousands)

\$6,268 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	
2026	\$ 1,221
2027	(4,029)
2028	(268)
2029	(208)
2030	(32)
	<u>\$ (3,316)</u>

Sensitivity of the City's Total Pension Liability to Changes in the Discount Rate: The following presents the City's total pension liability calculated using the discount rate of 4.28 percent, as well as what the City's total pension liability would be if it were calculated using a discount rate that is one percentage point lower (3.28 percent) or one percentage point higher (5.28 percent) than the current rate:

	1% Decrease 3.28%	Discount Rate 4.28%	1% Increase 5.28%
Total pension liability	\$ 172,328	\$ 161,072	\$ 150,758

Schedule of Changes in Total Pension Liability

Total pension liability as of December 31, 2023	\$ 164,649
Service cost	4,742
Interest	6,333
Difference between expected and actual experience	1,087
Changes of assumptions and other inputs	(3,055)
Benefit payments	(12,684)
Total pension liability as of December 31, 2024	<u>\$ 161,072</u>

The plan currently uses mortality tables that vary by age, 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, 2023 valuation were based on the results of an experience study completed by the Actuary for the Local Government Employees' Retirement System for the five-year period ending December 31, 2019.

d. Supplemental Retirement Income Plan for Law Enforcement Officers

Description: The City contributes to the Supplemental Retirement Income Plan (Plan), a defined contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. The Plan provides retirement benefits to law enforcement officers employed by the City. Article 5 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Supplemental Retirement Income Plan for Law Enforcement Officers is included in the Annual Comprehensive Financial Report (ACFR) for the State of North Carolina. The State's ACFR includes the pension trust fund financial statements for the Internal Revenue Code Section 401(k) plan that includes the Supplemental Retirement Income Plan for Law Enforcement Officers. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 707-0500 or at www.osc.nc.gov.

(Dollar Amounts in Thousands)

Funding Policy: Article 12E of G.S. Chapter 143 requires the City to contribute each month an amount equal to five percent of each officer's salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the plan. The City is currently making contributions for the 1,647 law enforcement officers. Contributions for the year ended June 30, 2025 were \$17,377 which consisted of \$8,093 from the City and \$9,284 from the law enforcement officers.

e. Death Benefit Plan

The City provides death benefits to law enforcement officers through the Death Benefit Plan for members of the Local Governmental Employees' Retirement System (LGERs), a multiple-employer, State-administered, cost sharing plan funded on a one-year term cost basis. The benefit is paid to beneficiaries of employees who die while still in active service after one year as a contributing member or die within 180 days of their last day of service, provided the contributions have not been withdrawn. The benefit is a lump-sum payment equal to the employee's highest salary for 12 consecutive months during the 24 months before the death. The lump-sum payment will be at least twenty-five thousand but no more than fifty thousand. All death benefit payments are made from the Death Benefit Plan. The City has no liability beyond the payment of monthly contributions. Contributions are determined as a percentage of monthly payroll, based upon rates established annually by the State. Because the benefit payments are made by the Death Benefit Plan and not by the City, the City does not determine the number of eligible participants. For the fiscal year ended June 30, 2025, the City made contributions to the State for death benefits. The City's contributions for employees engaged in law enforcement represented 0.14 percent of covered payroll.

f. Other Postemployment Benefits

Description: The City of Charlotte Employee Benefit Trust Plan (EBTP) is a single-employer defined benefit healthcare plan administered by the City of Charlotte. The EBTP provides health and welfare benefit plans for the benefit of eligible retired employees of the City. Section 4.05 of the Charlotte City Code assigns the authority to establish benefit provisions for EBTP to the City Council. A stand-alone financial report is not issued.

Plan Membership: At June 30, 2024 the EBTP membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits payments	2,197
Active members	2,093
Total	<u>4,290</u>

Benefits Provided: The EBTP provides healthcare benefits for retirees hired before July 1, 2009 and have at least ten years of consecutive City service in a benefit eligible position and immediately begin drawing a retirement benefit. The City pays a percentage of the cost of coverage for employees' benefits through private insurers based on years of service. Sworn public safety officers hired on or after July 1, 2009 are eligible to participate in a Retirement Health Reimbursement Plan (RHRP). This benefit provides a weekly City contribution into a Health Reimbursement account and upon vesting, the employee can use it to pay for qualified healthcare expenses in retirement or at the time of separation of service.

Contributions: The contribution requirements of plan members and the City are established and may be amended by the City Council. The required contribution rates for plan members were dependent on the years of service and the coverage selected. Monthly rates ranged from \$238 to \$5,898 per retiree.

City Contributions to EBTP based on years of creditable service

Years of Creditable Service	Date Hired	
	Pre-July 1, 2009	On or after July 1, 2009
less than 10 years	0%	0%
10 to 20 years	51%	0%
20 + years	60%	0%

The City Council set the employer contribution rate to contribute the projected pay-as-you-go-financing requirements, with additional amounts to prefund benefits as determined annually. For the current year, the City contributed \$10,527 to the plan.

Investments: The Long-Term Investment Program (LTIP) represents an investment program in which long-term capital reserves of the City are invested under expanded investment authorization outlined in State law G.S. 147-69.2(b) (1)-(6) and (8) as rewritten with additional investment authorization in Senate Bill 703, ratified June 3, 2009, in order to diversify investment assets of the City. In addition, the LTIP is expected to be a source of funding for OPEB obligations of the City.

The LTIP is overseen by its Board which works with an external investment consultant to manage the LTIP by developing and monitoring its investment policy, including asset allocation, selecting qualified investment managers to manage LTIP assets, and to monitor and evaluate individual investment manager performance.

The LTIP policy regarding the allocation of invested assets is established and may be amended by the LTIP Board by a majority vote of its members. It is the policy of the Board to pursue an investment strategy with moderate risk that provides a rate of return that exceeds the rate of inflation and that is above average compared to relevant market benchmarks. The Board also seeks prudent diversification of the portfolio across a broad selection of distinct asset classes. The LTIP discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. LTIP investments are valued at fair value. The following was the Board's adopted asset allocation policy based on an analysis of historical and projected capital market return patterns and consistent with the moderate risk tolerance defined in its policy.

Asset Class	Target Allocation
Non-Domestic Equity	18%
Domestic Equity	50%
Non-Domestic Fixed Income	20%
Domestic Fixed Income	12%
Total	<u>100%</u>

Rate of Return: For the year ended June 30, 2025, the annual money market weighted rate of return on investment, net of investment expenses, was 14.3 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

The components of the net OPEB liability of the City at June 30, 2025 were as follows:

Total OPEB liability	\$ 353,087
Plan fiduciary net position	180,350
City's net OPEB liability	<u>\$ 172,737</u>
Plan fiduciary net position as a percentage of the Total OPEB liability	<u>51.08%</u>

CITY OF CHARLOTTE, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2025

(Dollar Amounts in Thousands)

Actuarial Assumptions: The total OPEB liability was determined on an actuarial valuation as of June 30, 2024, using the following key actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Real wage growth	0.75%
Wage inflation	3.25%
Salary increases, including wage inflation	
General Employees	3.25% - 8.41%
Firefighters	3.75% - 9.00%
Law Enforcement Officers	3.25% - 7.90%
Long-term Investment Rate of Return, net of OPEB plan investment expense, including price inflation	7.25%
Municipal Bond Index Rate	
Prior Measurement Date	3.93%
Measurement Date	5.20%
Year FNP is projected to be depleted	
Prior Measurement Date	N/A
Measurement Date	N/A
Single Equivalent Interest Rate, net of OPEB plan investment expense, including price inflation	
Prior Measurement Date	7.25%
Measurement Date	7.25%
Health Care Cost Trends	
Pre-Medicare Medical and Prescription Drug	7.00% for 2024 decreasing to an ultimate rate of 4.50% by 2034.
Medicare Medical and Prescription Drug	5.125% for 2024 decreasing to an ultimate rate of 4.50% by 2027.

Total OPEB liabilities were rolled forward to June 30, 2024 and June 30, 2025 for the employer and the plan, respectively, utilizing updated procedures incorporating the actuarial assumptions.

Mortality rates were based on the Pub-2010 mortality tables, with adjustments for LGERS experience and generational mortality improvements using Scale MP-2019.

Discount Rate: The discount rate used to measure the total OPEB liability at June 30, 2025 was 7.25 percent. The projection's basis was an actuarial valuation performed as of June 30, 2024.

Sensitivity of the Net OPEB Liability to e Discount Rates: The following exhibit presents the net OPEB liability of the EBTP as of June 30, 2025 as well as what the EBTP's liability would be if it were calculated using a discount rate that is one percentage point lower (6.25 percent) or one percentage point higher (8.25 percent) than the current rate.

	1% Decrease 6.25%	Discount Rate 7.25%	1% Increase 8.25%
Net OPEB liability	\$ 212,016	\$ 172,737	\$ 139,836

Sensitivity of the Net OPEB Liability to Healthcare Cost Trend Rates: The following presents the net OPEB liability of EBTP as of June 30, 2025, as well as what the EBTP net OPEB liability would be if it were to calculate the healthcare cost trend rates that are one percentage point lower or one percentage point higher than the current healthcare cost trend rate.

	Healthcare Cost Trend Rate		
	1% Decrease	Current	1% Increase
Net OPEB liability	\$ 135,536	\$ 172,737	\$ 217,234

Changes in Net OPEB Liability, OPEB Expenses, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB as of June 30, 2025, EBTP reported a net OPEB liability of \$172,737.

At June 30, 2025, the components of the net OPEB liability of the EBTP, measured as of June 30, 2025, were as follows:

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a)-(b)
Balances at June 30, 2024	\$ 373,906	\$ 165,962	\$ 207,944
Service cost	4,626	–	4,626
Interest	26,498	–	26,498
Difference between expected and actual experience	(44,318)	–	(44,318)
Changes of assumptions or other inputs	9,507	–	9,507
Contributions-employers	–	10,527	(10,527)
Net investment income	–	23,410	(23,410)
Administrative expense	–	(2,417)	2,417
Benefit payments	(17,132)	(17,132)	–
Net change	(20,819)	14,388	(35,207)
Balances at June 30, 2025	\$ 353,087	\$ 180,350	\$ 172,737

Reconciliation of Total OPEB Liability and Net OPEB Asset by Governmental and Business-type Activities

	Governmental Activities	Business-type Activities				Subtotal	Total
		Water and Sewer	Storm Water	Airport	Public Transit		
Net OPEB liability	\$ 210,614	\$ –	\$ 861	\$ –	\$ –	\$ 861	\$ 211,475
Net OPEB asset	–	(27,817)	–	(10,478)	(443)	(38,738)	(38,738)
City's net OPEB liability (asset)	\$ 210,614	\$ (27,817)	\$ 861	\$ (10,478)	\$ (443)	\$ (37,877)	\$ 172,737

(Dollar Amounts in Thousands)

Changes of Assumptions: Changes of assumptions and other inputs reflect a change in the discount rate from 5.28 percent in 2022 to 7.25 percent in 2023. Medical claims cost and rates were changed based on most recent experience and changed to the current schedule. The impacts of the Affordable Care Act (ACA) and the Inflation Reduction Act (IRA) were addressed in this valuation. The impact of the COVID-19 pandemic was considered in the valuation; however, no changes were incorporated at this time due to the level of uncertainty regarding the impact on both plan costs and contribution levels going forward.

For the year ended June 30, 2025, the EBTP recognized OPEB income of (\$16,597). At June 30, 2025, the EBTP reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ —	\$ 37,239
Changes of assumptions or other inputs	14,058	18,515
Net difference between projected and actual earnings on plan investments	—	10,659
Total	<u>\$ 14,058</u>	<u>\$ 66,413</u>

Total amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB benefits will be recognized in OPEB expense as follows:

Year Ending June 30	
2026	\$ (27,353)
2027	(17,908)
2028	(4,754)
2029	(2,340)
2030	—
Thereafter	—
	<u>\$ (52,355)</u>

Below are the Statement of Net Position and Statement of Changes in Net Position for the Employee Benefit – Other Employee Benefit Trust:

Statement of Net Position - Other Employee Benefit Trust

Assets:		
Cash, cash equivalents and investments	\$	1,331
Investments:		
Mutual funds		179,056
Total assets		<u>180,387</u>
Liabilities:		
Accounts payable		37
Total liabilities		<u>37</u>
Net Position:		
Net position restricted for OPEB	\$	<u><u>180,350</u></u>

Statement of Changes in Net Position - Other Employee Benefit Trust

Additions:		
Contributions-		
Employer	\$	10,527
Investment income -		
Net appreciation in fair value of investments		23,025
Interest		673
Total investment income		<u>23,698</u>
Investment expense		288
Net investment income		<u>23,410</u>
Total additions		<u>33,937</u>
Deductions:		
Benefits		10,301
Insurance premiums		6,831
Administration		2,417
Total deductions		<u>19,549</u>
Change in net position		<u>14,388</u>
Net position - beginning		<u>165,962</u>
Net position - ending	\$	<u><u>180,350</u></u>

g. Deferred Compensation Plan

The City offers employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, which is available to all City employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. The plan assets are placed in trust for the exclusive benefit of the participants and their beneficiaries and therefore are not included in the City's financial statements. In addition, in 2019 the city created a Retiree Health Investment Account for public safety employees hired on or after July 1, 2009. The city contributes \$25.00 per week per eligible employee. For the year ended June 30, 2025, the City contributed \$2,417.

(Dollar Amounts in Thousands)

The City provides a deferred compensation plan created in accordance with the Internal Revenue Code Section 401(a). The plan, which is available to the City Manager position, permits the City to provide compensation that can be deferred until future years. The deferred compensation is not available to the City Manager until termination, retirement, death or unforeseeable emergency. The plan assets are placed in trust for the exclusive benefits of the participant and therefore are not included in the City's financial statements.

The City participates in the NC 401(k) Plan which is a retirement savings plan administered by the North Carolina Department of the State Treasurer, and available exclusively to North Carolina public employees who are actively contributing to one of the NC Retirement Systems.

6. OTHER INFORMATION

a. Airport Leasing Arrangements with Tenants

A major portion of the Airport's assets are leased under operating agreements with airlines and other tenants. The total cost and accumulated depreciation of the assets at June 30, 2025 were as follows:

Land	\$ 444,439
Buildings	1,609,148
Runways	713,593
Improvements other than buildings	1,433,274
Intangibles	20,152
Machinery and equipment	235,882
Total	4,456,488
Less: accumulated depreciation	1,440,665
Total	<u>\$ 3,015,823</u>

b. Passenger Facility Charges

The Federal Aviation Administration (FAA) authorized the Airport to collect Passenger Facility Charges (PFC) of \$4.50 per qualifying enplaned passenger commencing June 1, 2025. The net receipts from PFC are accounted for on the accrual basis of accounting in the statement of revenues, expenses and changes in fund net position and are restricted for use on FAA approved projects. The Airport has been authorized to collect PFC in the aggregate amount of \$4,855,068. Cash collections during fiscal year 2025 were \$120,049 and aggregate collections from inception through June 30, 2025 were \$1,238,854.

c. Insurance

(1) Employee Health and Life

The City provides health and life benefits to employees and retirees. Private companies administer these benefits pursuant to administrative services agreements. The City maintains insurance coverage with private carriers for life claims, vision claims and excess coverage for health claims in excess of five-hundred thousand. The City has an Employee Health and Life Insurance Fund (EHLIF), an internal service fund, to account for and finance its health and life insurance program.

All City funds participate in the program and make payments to the EHLIF for both an amount per employee and a proportionate share of the administrative cost. The amount per employee is based on actuarial estimates of amounts needed to pay prior and current year claims. The employees and retirees contribute a portion of the cost for health coverage. The City provides basic life insurance and accidental death and dismemberment benefits for employees in the amount of two times the employees' salary up to a maximum of five-hundred thousand. Employees may purchase additional life insurance up to a maximum of five times their salary. The City provides short-term disability that equals 60 percent of salary for up to 26 weeks.

Liabilities include amounts for both reported and incurred but not reported claims. The changes in the fund's liabilities follow:

	Beginning of Year	Claims and Changes in Estimates	Claims Payments	End of Year
2025	\$ 11,472	\$ 119,459	\$ (115,952)	\$ 14,979
2024	10,642	101,158	(100,328)	11,472

At June 30, 2025 the EHLIF held \$23,176 in cash and cash equivalents for payments of these claims.

(2) Risk Management

The City is exposed to various risks of loss related to torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City has a Risk Management Fund (RMF), an internal service fund, to account for and finance its insured and uninsured risks of loss. Currently, insurance coverage is purchased for excess property damage for buildings, contents, and light rail trains; excess workers' compensation; excess vehicle and general liability; network security liability; police professional liability; police helicopter hull liability; drone liability; airport liability; City bus liability and passenger railway liability for the light rail train operations. Insurance coverage includes vehicle and general liability claims in excess of \$2,000 but less than \$22,000 per occurrence, workers' compensation claims in excess of \$2,000, property damage claims in excess of \$250 and flood insurance of \$100,000 in all flood zones, except \$10,000 in flood zone A in excess of federal flood program maximums, network security coverage in the amount of \$20,000 and drone liability in the amount of \$2,000. The finance officer is bonded for \$1,000. Employees who handle funds or have access to inventories are covered under a crime policy for \$500. The actuarially determined losses for the remaining risks and deductible amounts are funded in the RMF. Settled claims have not exceeded insurance coverage in the past three years. All funds of the City participate in the risk management program and make payments to the RMF based on historical cost information or actuarial estimates of the amounts needed to pay prior and current year claims.

Pursuant to administrative agreements, the City provides risk management services to Mecklenburg County, the Charlotte-Mecklenburg Board of Education, and Medic. There is no transfer or pooling of risks among entities. Amounts collected or due and amounts paid or to be paid to settle claims for Mecklenburg County, the Charlotte-Mecklenburg Board of Education, and Medic are reported as a net liability on an accrual basis. At June 30, 2025, \$1,292 was held as deposits for these entities. This amount is reflected as a long-term liability, Due to Participants, in the RMF.

The claims liability of \$83,020 reported in the RMF at June 30, 2025, 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 changes in the fund's liabilities follow:

	Beginning of Year	Claims and Changes in Estimates	Claims Payments	End of Year
2025	\$ 77,435	\$ 26,895	\$ (21,310)	\$ 83,020
2024	71,118	31,610	(25,293)	77,435

At June 30, 2025 the RMF held \$88,405 in cash and cash equivalents for payments of these claims.

(Dollar Amounts in Thousands)

d. Commitments and Contingencies

Noise litigation suits have been filed against the City in connection with the operation of the Charlotte Douglas International Airport. In the opinion of the City's attorney and management, the ultimate outcome of the suits is not expected to have significant impact upon the financial position or results of operations of the Airport Fund.

The City is also party to a number of other civil injustice lawsuits and legal actions. In the opinion of the City's attorney and management, the ultimate outcome of these legal matters is not expected to have a significant impact upon the City's financial position.

The City is currently evaluating a number of environmental issues including two former landfill sites. Until site assessments and further studies are completed, the cleanup costs can only be estimated. During the current fiscal year a provision for cleanup costs of \$802 has been provided within the financial statements. In the opinion of City management, costs ultimately incurred are not expected to have a material effect on the City's financial position after giving effect to the provision for cleanup costs.

The City manages a Brownfield Assessment Grant Program which assists property and business owners and infill developers in overcoming barriers that contamination presents for the redevelopment of underutilized brownfield sites in distressed business districts and neighborhoods. The Program provides fifty percent matching funds, up to \$20 per site, to property owners for site assessment, design of remediation activities, and legal expenses for redevelopment sites suspected of contamination. When the City enters into the agreements, it legally obligates itself to participate in the cleanup activities of the remediation effort. The amount of the liability is derived from the grant agreements and assumes no unexpected change orders.

The City has received a number of federal and state grants for specific purposes that are subject to review by the grantor agencies. Such reviews could lead to requests for reimbursement to the grantor agencies for expenditures disallowed under terms of the grants. The City management believes that such disallowances, if any, would not be significant.

Charlotte Water settled previously reported litigation for \$106 million. On July 3, 2023, Charlotte Water made its first settlement payment of \$90 million. On July 1, 2024, Charlotte Water made its second and final settlement payment of \$16 million.

On September 24, 2024, a federal trial court granted summary judgment against the City, determining that the City violated the federal Drivers Privacy Protection Act (DPPA). The Court also certified a proposed class of plaintiffs. On October 8, 2024, the City filed a petition asking for an appeal of the Court's class certification order. The City also intends to appeal the summary judgment order ruling. For fiscal year 2024, the City accrued \$7.3 million related to the summary judgment. If the City is unsuccessful in its appeals, the City estimates the amount of the liability could range up to \$50 million.

Authorized capital projects at June 30, 2025 are comprised of the following by fund:

	Project Authorization	Expended	Unexpended
<u>Governmental</u>			
Capital Projects	\$ 5,577,945	\$ 3,755,622	\$ 1,822,323
<u>Enterprise</u>			
Water and Sewer	5,426,064	4,875,622	550,442
Storm Water	1,286,879	1,163,503	123,376
Airport	4,376,798	3,475,025	901,773
Public Transit	2,517,829	2,237,427	280,402
Total Enterprise	13,607,570	11,751,577	1,855,993
Total	<u>\$ 19,185,515</u>	<u>\$ 15,507,199</u>	<u>\$ 3,678,316</u>

Financial resources are available to fund the total amount of unexpended authorizations.

Outstanding encumbrances are amounts needed to pay any commitments related to purchase orders and contracts that remain unperformed at year-end. For governmental funds, encumbrances are included within the restricted, committed or assigned fund balances, as appropriate and are established in the funds as follows:

General	\$ 7,077
Capital Projects	320,338
Nonmajor governmental	46,483
Total	<u>\$ 373,898</u>

The City has construction and other contractual commitments at June 30, 2025 as follows by fund:

<u>Governmental</u>	
General	\$ 327,415
Nonmajor governmental	45,907
Total Governmental	<u>373,322</u>
<u>Enterprise</u>	
Water and Sewer	167,479
Storm Water	37,056
Airport	379,445
Public Transit	77,897
Total Enterprise	<u>661,877</u>
Total	<u>\$ 1,035,199</u>

(Dollar Amounts in Thousands)

e. Arena

Spectrum Center (formerly Time Warner Cable Arena) was constructed and financed by the City and opened in October 2005. The primary tenant of the arena is the National Basketball Association's Charlotte Hornets. Terms of a twenty-five-year lease entitle the team to all operating revenues and the team is responsible for all operating expense, including non-basketball related events. The City and the team each contribute annually to a capital reserve fund. Any capital expenses in excess of the reserve are the responsibility of the City. While the City retains ownership of the facility, the Charlotte Regional Visitors Authority provides operation support for the Arena. The original arena project, \$200 million was funded primarily through a combination of installment financing obligations supported by a portion of an occupancy tax and a dedicated rental car tax, private contributions and the sale of City assets. The City is entitled to damages based on the number of years remaining on the lease if the team violates the agreement. The City and the Hornets reached an agreement in 2022 for the City to invest \$245 million in capital renovations and upgrades that increase the competitiveness and help bring additional events to the City, and an additional \$30 million toward a Practice Facility that will be located across the street as a part of a planned mixed use development. The Hornets have agreed to take on any cost overruns related to the \$245 million capital improvements, and the city's commitment to the practice facility is capped at \$30 million. The Hornets have agreed to extend their lease until 2045, as a result of the city's contribution to the Arena and Practice Facility. The first tranche of financing for the capital repairs was issued through a privately placed short term variable rate installment financing agreement in 2024. The first tranche of the privately placed short term variable rate installment financing agreement was refunded in fiscal year 2026 with series 2025A, par approximately \$ 126 million. Proceeds from 2025A issuance were used to finance cost of improvements and renovations to the City's Spectrum Center Arena and other governmental facilities including the practice facility and parking deck. The second tranche of the privately placed short term variable rate installment financing agreement was issued in fiscal year 2026 for Not To Exceed (NTE) \$ 135.6 million, and is anticipated to be refunded in FY 2027.

f. NASCAR Hall of Fame

NASCAR Hall of Fame was constructed and financed by the City and opened in May 2010. The \$140 million project was funded through a combination of installment financing obligations supported by a dedicated two percent occupancy tax and private loans repaid through land sales and private contributions. The City also receives a portion of sponsorship money and deferred NASCAR royalty payments to help service the debt. The City owns the facility and the Charlotte Regional Visitors Authority is fully responsible for Hall operations. The City is responsible for any capital costs for the facility, and may supplement capital maintenance and repair costs through the dedicated revenues if funds are available.

g. Cultural Arts Facilities

The Cultural Arts Facilities consist of the Harvey B. Gantt Center for African-American Arts & Culture, the Bechtler Museum of Modern Art, the Mint Museum, and the Knight Theater, and are known collectively as the Levine Center for the Arts. All four facilities opened in fiscal year 2010 and are owned by the City, with Mecklenburg County entitled to a 30 percent share when the debt is retired. The \$120 million project is part of a \$600 million mixed-use development project, including the 50 story Duke Energy Center. The projects were funded through a combination of installment financing obligations supported by City revenues and ongoing City and County contributions derived from a synthetic tax increment finance payment of \$1,650 (divided proportionally between the City and County) annually through 2026. In addition, Wells Fargo Corporation is under contract to pay the difference between actual tax collections and \$1,650 annually. All four sites are leased by the City to non-profits, which are responsible for operating the facilities. The City and County (70/30 share) are responsible for capital repairs and major maintenance.

h. Bank of America Stadium

On June 19, 2024, the City Council approved business terms with Tepper Sports and Entertainment (TSE) to fund improvements to Bank of America Stadium for up to \$650 million, and additional funding for traffic control. TSE has agreed to take on any cost overruns above the \$650 million commitment from the City and extend the lease for both Carolina Panthers and Charlotte FC agreeing to a lease extension through the 2045-2046 seasons. The renovation project is planned to invest in the community asset, through maintaining and enhancing the stadium and building a new Field House, and will also improve accessibility and increase sustainability. The City and TSE are working toward finalizing and executing all agreements in the 4th quarter of 2025 following City Council approval of final lease terms and receiving National Football League and Major League Soccer approval of agreements. The first tranche of financing for the \$ 650 million is anticipated in early 2026.

i. American Airlines

American Airlines Group Inc., (American Airlines) is the major passenger airline serving Charlotte Douglas International Airport (Airport). For the fiscal year ended June 30, 2025, American Airlines and its affiliates provided 31.65 percent of the Airport's operating revenues.

American Airlines conducts its passenger air carrier operations at the Airport pursuant to several agreements, the most significant of which is the City of Charlotte's 2016 Airline Use and Lease Agreement (Airline Agreement), which has also been executed by Frontier Airlines, Southwest Airlines, Delta Air Lines, United Airlines and Spirit Airlines (collectively, the Signatory Airlines). Pursuant to the Airline agreement, the Signatory Airlines lease certain premises in the passenger terminal building (terminal) and are obligated to pay landing fees and terminal rentals which, in the aggregate, are sufficient to enable the City to pay the annual operating expenses of the airfield and terminal, and the annual debt service on General Airport Revenue Bonds (GARBs) issued by the City to fund airfield, terminal and other airport improvements.

j. Subsequent Events

On July 31, 2025, the City issued \$146,110 in Water and Sewer System Refunding Revenue Bonds, Series 2025, to refund \$158,180 of outstanding fixed rate Water and Sewer System Refunding Revenue Bonds, Series 2015. The City completed the refunding to reduce the total debt service payments over a period of 15 years by \$12,606 and to obtain an economic gain (difference between the present values of the old and new debt service payments) of \$9,819.

On August 7, 2025, the City issued \$126,295 in Taxable Certificates of Participation, Series 2025, to pre-pay \$110,000 of outstanding Certificates of Participation draw program, Series 2023A and finance improvements to government facilities.

On August 7, 2025, the City entered into a direct placement Installment Financing Contract draw program to finance the cost of government facilities. The aggregate principal amount of the contract outstanding at any one time shall not exceed \$136,500.

On October 15, 2025, the City issued \$75,000 in Taxable General Obligation Housing Bonds, Series 2025A, to acquire, construct, develop and equip housing projects.

On November 13, 2025, the City issued \$177,610 in General Obligation Refunding Bonds, Series 2025B, to prepay \$195,801 of the 2023C GO Bond Anticipation Note.

On November 13, 2025, the City entered into a direct placement General Obligation Bond Anticipation Note, Series 2025C to finance transportation and neighborhood improvements. The aggregate principal amount of the note outstanding at any one time shall not exceed \$200,000.

On November 21, 2025, the City permanently reduced the commitment amount for the Airport direct placement revenue bond anticipation note, Series 2023, to \$180,000.

(Dollar Amounts in Thousands)

On November 4, 2025, Mecklenburg County voters approved a one percent sales tax increase dedicated to funding transit projects. Along with this approval, the establishment of a new transit authority was authorized to manage the city's transportation system more effectively. The P.A.V.E. Act authorized the creation of the Metropolitan Public Transportation Authority (MPTA), a new regional governance entity that will finance, operate, and maintain a safe, reliable, efficient, and environmentally sound public transportation system for Mecklenburg County. With the establishment of the MPTA, the Charlotte Area Transit System (CATS)—currently a department of the City of Charlotte that operates existing bus, rail, and streetcar services—will transition to the MPTA as the operating authority for existing services and the delivery of future transit projects.





Required Supplementary Information, Combining & Individual Fund Statements & Schedules

Annual Comprehensive Financial Report 2025



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FINANCIAL SECTION

Required Supplementary Information, Combining and Individual Fund Statements and Schedules

CITY OF CHARLOTTE, NORTH CAROLINA

LOCAL GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM (LGRS)

SCHEDULE OF CITY'S PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET)

LAST TEN FISCAL YEARS*

(Dollar Amounts In Thousands)

Valuation Date	December 31, 2014	December 31, 2015	December 31, 2016	December 31, 2017
Measurement Date	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018
Reporting Date	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019
Proportion of the net pension liability (asset) (%)	5.89461%	6.04890%	6.11504%	6.25266%
Proportion of the net pension liability (asset) (\$)	\$ 26,455	\$ 128,378	\$ 93,421	\$ 148,334
Covered payroll	\$ 327,094	\$ 350,856	\$ 381,739	\$ 397,056
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	8.09%	36.59%	24.47%	37.36%
Plan fiduciary net position as a percentage of the total pension liability**	98.09%	91.47%	94.18%	91.63%

* The amounts presented for each fiscal year were determined as of the prior fiscal year ending June 30.

** This will be the same percentage for all participant employers in the LGRS plan.

December 31, 2018	December 31, 2019	December 31, 2020	December 31, 2021	December 31, 2022	December 31, 2023
June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023	June 30, 2024
June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023	June 30, 2024	June 30, 2025
6.32044%	6.47820%	6.84354%	6.46573%	6.28134%	6.50000%
\$ 172,606	\$ 231,494	\$ 104,952	\$ 364,760	\$ 416,018	\$ 418,136
\$ 425,364	\$ 454,357	\$ 473,265	\$ 476,720	\$ 524,305	\$ 564,871
40.58%	50.95%	22.18%	76.51%	79.35%	74.02%
90.86%	88.61%	95.51%	84.14%	82.49%	83.30%



FINANCIAL SECTION*Required Supplementary Information, Combining and Individual Fund Statements and Schedules***CITY OF CHARLOTTE, NORTH CAROLINA****LOCAL GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM (LERS)****SCHEDULE OF CITY OF CHARLOTTE CONTRIBUTIONS****LAST TEN FISCAL YEARS****(Dollar Amounts In Thousands)**

	2016	2017	2018	2019	2020
Contractually required contribution	\$ 23,959	\$ 28,613	\$ 30,712	\$ 33,945	\$ 41,715
Contributions in relation to the contractually required contribution	23,959	28,613	30,712	33,945	41,715
Contribution deficiency (excess)	\$ —	\$ —	\$ —	\$ —	\$ —
Charlotte's covered payroll	\$ 350,856	\$ 381,739	\$ 397,056	\$ 425,364	\$ 454,357
Contributions as a percentage of covered payroll	6.83%	7.50%	7.73%	7.98%	9.18%



2021	2022	2023	2024	2025
\$ 49,054	\$ 55,104	\$ 64,848	\$ 74,398	\$ 85,498
49,054	55,104	64,848	74,398	85,498
\$ —	\$ —	\$ —	\$ —	\$ —
\$ 473,265	\$ 476,720	\$ 524,305	\$ 564,871	\$ 611,747
10.37%	11.56%	12.37%	13.17%	13.98%

FINANCIAL SECTION

Required Supplementary Information, Combining and Individual Fund Statements and Schedules

CITY OF CHARLOTTE, NORTH CAROLINA
CHARLOTTE FIREFIGHTERS' RETIREMENT SYSTEM (SYSTEM)
SCHEDULE OF CHANGES IN THE SYSTEM'S NET PENSION LIABILITY
LAST TEN FISCAL YEARS
(Dollar Amounts In Thousands)

Valuation Date	July 1, 2015	July 1, 2016	July 1, 2017	July 1, 2018
Measurement Date	July 1, 2015	July 1, 2016	July 1, 2017	July 1, 2018
Reporting Date	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019
Total Pension Liability				
Service cost	\$ 15,049	\$ 15,387	\$ 26,438	\$ 24,023
Interest	36,036	37,984	37,701	41,792
Benefit changes	—	—	—	—
Difference between expected and actual experience	1,664	(2,503)	19,244	(4,229)
Change of assumptions	—	211,217	(60,216)	(31,043)
Benefit payments	(26,406)	(28,333)	(31,075)	(33,120)
Refunds of contributions	(69)	(416)	(70)	(212)
Net change in Total Pension Liability	26,274	233,336	(7,978)	(2,789)
Total Pension Liability - Beginning	478,213	504,487	737,823	729,845
Total Pension Liability - Ending (a)	\$ 504,487	\$ 737,823	\$ 729,845	\$ 727,056
Plan Net Position				
Contributions - employer	\$ 8,589	\$ 8,694	\$ 9,106	\$ 9,333
Contributions - employee	9,138	8,991	9,636	9,909
Net investment income	20,373	2,266	57,681	46,981
Benefit payments	(26,406)	(28,333)	(31,075)	(33,120)
Administrative expense	(625)	(657)	(621)	(735)
Refunds of contributions	(69)	(416)	(70)	(212)
Other	—	—	(13)	(28)
Net change in Plan Net Position	11,000	(9,455)	44,644	32,128
Plan Net Position - Beginning	473,575	484,575	475,120	519,764
Plan Net Position - Ending (b)	\$ 484,575	\$ 475,120	\$ 519,764	\$ 551,892
Net Pension Liability - Ending (a) - (b)	\$ 19,912	\$ 262,703	\$ 210,081	\$ 175,164
Plan net position as a percentage of total pension liability	96.05%	64.39%	71.22%	75.91%
Covered payroll	\$ 67,897	\$ 68,727	\$ 71,984	\$ 73,779
Net pension liability as a percentage of covered payroll	29.33%	382.24%	291.84%	237.42%



July 1, 2019	July 1, 2020	July 1, 2021	July 1, 2022	July 1, 2023	July 1, 2024
June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023	June 30, 2024
June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023	June 30, 2024	June 30, 2025
\$ 22,649	\$ 26,921	\$ 54,725	\$ 23,287	\$ 40,857	\$ 40,816
44,028	46,105	41,371	56,909	53,786	57,931
9,692	—	—	1,336	—	—
25,476	16,673	23,596	1,340	18,552	4,033
85,552	315,693	(516,846)	279,397	(38,049)	(40,724)
(35,709)	(38,642)	(39,878)	(42,415)	(45,951)	(48,443)
(416)	(887)	(531)	(945)	(774)	(950)
151,272	365,863	(437,563)	318,909	28,421	12,663
727,056	878,328	1,244,191	806,628	1,125,537	1,153,958
\$ 878,328	\$ 1,244,191	\$ 806,628	\$ 1,125,537	\$ 1,153,958	\$ 1,166,621
\$ 10,193	\$ 11,450	\$ 12,768	\$ 14,942	\$ 17,619	\$ 20,621
10,610	10,770	11,910	12,418	12,605	13,700
22,930	17,216	134,699	(84,947)	46,537	58,675
(35,709)	(38,642)	(39,878)	(42,415)	(45,951)	(48,443)
(583)	(672)	(612)	(714)	(807)	(794)
(416)	(887)	(531)	(945)	(774)	(950)
(49)	(63)	(66)	(66)	(51)	(30)
6,976	(828)	118,290	(101,727)	29,178	42,779
551,892	558,868	558,040	676,330	574,603	603,781
\$ 558,868	\$ 558,040	\$ 676,330	\$ 574,603	\$ 603,781	\$ 646,560
\$ 319,460	\$ 686,151	\$ 130,298	\$ 550,934	\$ 550,177	\$ 520,061
63.63%	44.85%	83.85%	51.05%	52.32%	55.42%
\$ 80,577	\$ 82,609	\$ 91,200	\$ 93,388	\$ 97,883	\$ 103,105
396.47%	830.60%	142.87%	589.94%	562.08%	504.40%



CITY OF CHARLOTTE, NORTH CAROLINA
CHARLOTTE FIREFIGHTERS' RETIREMENT SYSTEM (SYSTEM)
SCHEDULE OF CITY OF CHARLOTTE CONTRIBUTIONS
LAST TEN FISCAL YEARS
(Dollar Amounts in Thousands)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Actuarially determined employer contribution	\$ 10,206	\$ 9,495	\$ 13,088	\$ 14,625	\$ 14,713	\$ 19,188	\$ 26,998	\$ 28,298	\$ 35,881	\$ 43,139
Actual employer contributions	8,694	9,106	9,333	10,193	11,450	12,768	14,942	17,619	20,621	28,308
Annual contribution deficiency (excess)	<u>\$ 1,512</u>	<u>\$ 389</u>	<u>\$ 3,755</u>	<u>\$ 4,432</u>	<u>\$ 3,263</u>	<u>\$ 6,420</u>	<u>\$ 12,056</u>	<u>\$ 10,679</u>	<u>\$ 15,260</u>	<u>\$ 14,831</u>
Covered payroll	\$ 68,727	\$ 71,984	\$ 73,779	\$ 80,577	\$ 82,609	\$ 91,200	\$ 93,388	\$ 97,883	\$ 103,105	\$ 111,845
Actual contributions as a percentage of covered payroll	12.65%	12.65%	12.65%	12.65%	13.86%	14.00%	16.00%	18.00%	20.00%	25.31%

Actuarially determined contribution rates are calculated as of July 1, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates for the most recent year in the schedule:

Actuarial cost method	Entry Age
Amortization method	Level percent of pay, closed
Remaining amortization period	4-29 years
Asset valuation method	5-year smoothed market
Inflation	2.50%
Salary increases	3.75% – 9.00%, including inflation
Investment rate of return	7.00%, net of pension plan investment expense, including inflation





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FINANCIAL SECTION

Required Supplementary Information, Combining and Individual Fund Statements and Schedules

CITY OF CHARLOTTE, NORTH CAROLINA

LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE (LEOSSA)

SCHEDULE OF CHANGES IN TOTAL PENSION LIABILITY AND COVERED PAYROLL

LAST NINE FISCAL YEARS

(Dollar Amounts In Thousands)

Valuation Date	December 31, 2015	December 31, 2016	December 31, 2017	December 31, 2018
Measurement Date	December 31, 2016	December 31, 2017	December 31, 2018	December 31, 2019
Reporting Date	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020
Total Pension Liability				
Service cost	\$ 3,555	\$ 3,417	\$ 3,904	\$ 3,654
Interest	3,768	4,043	3,624	4,053
Difference between expected and actual experience	—	2,878	412	8,096
Change of assumptions and other inputs	(2,348)	6,110	(4,029)	3,315
Benefit payments	(5,509)	(6,124)	(6,811)	(7,788)
Net change in Total Pension Liability	(534)	10,324	(2,900)	11,330
Total Pension Liability - beginning	108,318	107,784	118,108	115,208
Total Pension Liability - ending	\$ 107,784	\$ 118,108	\$ 115,208	\$ 126,538
Covered employee payroll	\$ 126,473	\$ 128,588	\$ 128,322	\$ 131,791
Total Pension Liability as a percentage of covered employee payroll	85.22%	91.85%	89.78%	96.01%

The City of Charlotte has no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB 73 to pay related benefits.

The amounts presented for this fiscal year were determined as of December 31, 2023 for the current fiscal year.

This schedule will not present ten years of fiscal information until 2026.



December 31, 2019	December 31, 2020	December 31, 2021	December 31, 2022	December 31, 2023
December 31, 2020	December 31, 2021	December 31, 2022	December 31, 2023	December 31, 2024
June 30, 2021	June 30, 2022	June 30, 2023	June 30, 2024	June 30, 2025
<hr/>				
\$ 4,116	\$ 7,322	\$ 6,449	\$ 4,370	\$ 4,742
3,980	3,242	4,093	6,547	6,332
6,082	17,918	(5,621)	3,848	1,087
41,031	(4,412)	(24,346)	3,243	(3,054)
(8,915)	(9,694)	(10,606)	(10,536)	(12,684)
46,294	14,376	(30,031)	7,472	(3,577)
126,538	172,832	187,208	157,177	164,649
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
\$ 172,832	\$ 187,208	\$ 157,177	\$ 164,649	\$ 161,072
<hr/>				
\$ 139,519	\$ 156,575	\$ 147,935	\$ 148,399	\$ 151,495
123.88%	119.56%	106.25%	110.95%	106.32%



FINANCIAL SECTION

Required Supplementary Information, Combining and Individual Fund Statements and Schedules

CITY OF CHARLOTTE, NORTH CAROLINA
EMPLOYEE BENEFIT TRUST PLAN (EBTP)
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY
LAST NINE FISCAL YEARS
(Dollar Amounts In Thousands)

Valuation Date (June 30)	2017 ⁽¹⁾	2017 ⁽¹⁾	2018	2019	2020	2021	2022	2023	2024
Measurement Date (June 30)	2017	2018	2019	2020	2021	2022	2023	2024	2025
Reporting Date (June 30)	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total OPEB Liability									
Service cost	\$ 7,002	\$ 7,545	\$ 8,123	\$ 10,615	\$ 17,691	\$ 4,634	\$ 8,225	\$ 4,480	\$ 4,626
Interest	23,432	24,372	24,031	22,012	19,173	25,121	24,078	25,656	26,498
Difference between expected and actual experience	(294)	—	(106,807)	3,218	(39,053)	(2,333)	(31,499)	(1,427)	(44,318)
Changes of assumptions or other inputs	—	—	(45,850)	145,782	(275,389)	103,796	(87,091)	—	9,507
Benefit payments	(14,639)	(25,143)	(15,592)	(18,016)	(8,819)	(14,537)	(14,747)	(17,064)	(17,132)
Net change in Total OPEB Liability	15,501	6,774	(136,095)	163,611	(286,397)	116,681	(101,034)	11,645	(20,819)
Total OPEB Liability - beginning	583,220	598,721	605,495	469,400	633,011	346,614	463,295	362,261	373,906
Total OPEB Liability - ending	598,721	605,495	469,400	633,011	346,614	463,295	362,261	373,906	353,087
Plan Fiduciary Net Position									
Contributions - employer	16,361	20,454	21,689	19,957	44,303	15,550	15,550	16,227	10,527
Net investment income	7,532	5,881	4,730	1,224	26,988	(29,674)	18,000	20,970	23,410
Benefit payments	(14,639)	(14,782)	(15,592)	(18,016)	(8,818)	(14,537)	(14,747)	(17,064)	(17,132)
Additional contributions into the trust	—	20,325	—	—	—	—	—	—	—
Administrative expense	(232)	(266)	(223)	(1,984)	(1,774)	(1,903)	(2,005)	(2,153)	(2,417)
Other	(1,844)	(2,746)	—	(41)	—	—	—	—	—
Net change in Plan Fiduciary Net Position	7,178	28,866	10,604	1,140	60,699	(30,564)	16,798	17,980	14,388
Plan Fiduciary Net Position - beginning	53,261	60,439	89,305	99,909	101,049	161,748	131,184	147,982	165,962
Plan Fiduciary Net Position - ending	60,439	89,305	99,909	101,049	161,748	131,184	147,982	165,962	180,350
Net OPEB Liability - ending	\$ 538,282	\$ 516,190	\$ 369,491	\$ 531,962	\$ 184,866	\$ 332,111	\$ 214,279	\$ 207,944	\$ 172,737

⁽¹⁾ Valuation dates for 2017 were as of July 1, 2017.

This schedule will not present ten years of fiscal information until 2026.

CITY OF CHARLOTTE, NORTH CAROLINA

EMPLOYEE BENEFIT TRUST PLAN (EBTP)

SCHEDULE OF CHANGES OF TOTAL LIABILITY AS A PERCENTAGE OF COVERED
PAYROLL

LAST NINE FISCAL YEARS

(Dollar Amounts In Thousands)

	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total OPEB Liability	\$598,721	\$605,495	\$469,400	\$633,011	\$346,614	\$463,295	\$362,261	\$373,906	\$353,087
Plan Fiduciary Net Position	60,439	89,305	99,909	101,049	161,748	131,184	147,982	165,962	180,350
Net OPEB Liability	<u>\$538,282</u>	<u>\$516,190</u>	<u>\$369,491</u>	<u>\$531,962</u>	<u>\$184,866</u>	<u>\$332,111</u>	<u>\$214,279</u>	<u>\$207,944</u>	<u>\$172,737</u>
Plan Fiduciary Net Position as a percentage of the Total OPEB Liability	10.09%	14.75%	21.28%	15.96%	46.67%	28.32%	40.85%	44.39%	51.08%
Covered Payroll	\$402,489	\$402,489	\$252,834	\$252,834	\$240,688	\$240,688	\$222,893	\$222,893	\$202,683
Net OPEB Liability as a percentage of covered payroll	133.74%	128.25%	146.14%	210.40%	76.81%	137.98%	96.14%	93.29%	85.23%

This schedule will not present ten years of fiscal information until 2026.



FINANCIAL SECTION

Required Supplementary Information, Combining and Individual Fund Statements and Schedules

CITY OF CHARLOTTE, NORTH CAROLINA

EMPLOYEE BENEFIT TRUST PLAN (EBTP)

SCHEDULE OF CITY OF CHARLOTTE CONTRIBUTIONS AND INVESTMENT RETURNS

LAST NINE FISCAL YEARS

(Dollar Amounts In Thousands)

	2017	2018	2019
Actuarially determined contribution	\$ 22,729	\$ 25,967	\$ 26,605
Contributions in relation to actuarially determined contribution	24,630	40,778	21,689
Contribution deficiency (excess)	<u>\$ (1,901)</u>	<u>\$ (14,811)</u>	<u>\$ 4,916</u>
City of Charlotte's covered payroll	\$ 402,489	\$ 402,489	\$ 252,834
Contributions in relation to actuarially determined contribution as a percentage of covered payroll	6.12%	10.13%	8.58%
The Total OPEB Liability was determined based on actuarial valuation as of June 30, 2024, using the following key actuarial assumptions and other inputs:			
Inflation	2.50%		
Real wage growth	0.75%		
Wage inflation	3.25%		
Salary increases, including wage inflation			
General Employees	3.25%-8.41%		
Firefighters	3.75%-9.00%		
Law Enforcement Officers	3.25%-7.90%		
Long-term Investment Rate of Return, net of OPEB plan investment expense, including price inflation	7.25%		
Municipal Bond Index Rate			
Prior Measurement Date	3.93%		
Measurement Date	5.20%		
Year FNP is projected to be depleted			
Prior Measurement Date	N/A		
Measurement Date	N/A		
Single Equivalent Interest Rate, net of OPEB plan investment expense, including price inflation			
Prior Measurement Date	7.25%		
Measurement Date	7.25%		
Health Care Cost Trends			
Pre-Medicare Medical and Prescription Drug	7.00% for 2024 decreasing to an ultimate rate of 4.50% by 2034		
Medicare Medical and Prescription Drug	5.125% for 2024 decreasing to an ultimate rate of 4.500% by 2027		
Annual money-weighted rate of return, net of investment expenses	<u>13.84%</u>	<u>7.60%</u>	<u>4.38%</u>

This schedule will not present ten years of fiscal information until 2026.

2020	2021	2022	2023	2024	2025
\$ 26,605	\$ 26,605	\$ 24,483	\$ 24,483	\$ 23,706	\$ 23,706
19,957	44,303	15,550	15,550	16,227	10,527
\$ 6,648	\$ (17,698)	\$ 8,933	\$ 8,933	\$ 7,479	\$ 13,179
\$ 252,834	\$ 240,688	\$ 240,688	\$ 222,893	\$ 222,893	\$ 202,683
7.89%	18.41%	6.46%	6.98%	7.28%	5.19%

2020	2021	2022	2023	2024	2025
1.30%	25.41%	(18.28%)	13.85%	14.30%	14.30%





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NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds from specific revenue sources (other than funding for major capital projects) that are restricted to expenditures for specified purposes.

- Convention Center Tax Fund – Accounts for room occupancy and prepared food and beverage tax revenues to be used for convention and tourism purposes, including debt service, maintenance and operation of convention center facilities, and promotion of tourism.
- Tourism Fund – Accounts for room occupancy and other tax revenues to be used for tourism purposes.
- Hall of Fame Tax Fund – Accounts for room occupancy tax and private contribution revenues to be used for the NASCAR Hall of Fame.
- Municipal Services District Fund – Accounts for property tax on property within designated Municipal Services Districts to be used to enhance economic vitality and quality of life within the districts.
- Public Safety and Other Grants Fund – Accounts for federal and state grants to be used for public safety, including police, fire and emergency management, and other governmental-type activities.
- Law Enforcement Emergency Relief Fund – Accounts for funds received from the Emergency and Pension Fund of Mecklenburg County to invest and pay death benefits to the beneficiaries of law enforcement officers who die in the line of duty.
- American Rescue Plan Act Fund – Accounts for funds received under the Coronavirus State and Local Fiscal Recovery Fund to be used for expenditures incurred to address negative economic impact caused by the COVID-19 public health emergency.
- General COVID Relief – Accounts for funds received under the Coronavirus Aid, Relief, and Economic Security Act (CARES) and Federal Emergency Management Agency (FEMA) Public Assistance Program to be used for expenditures to address the COVID-19 pandemic.
- National Opioid Settlement Fund – Accounts for funds from pharmaceutical and drug distribution companies that were involved in lawsuits filed by State, local, and tribal governments due to the opioid epidemic. These funds are to be used specifically for expenditures related to opioid remediation activities.
- Neighborhood Development Fund – Accounts for federal grants to be used for neighborhood activities which develop viable urban communities providing adequate housing and economic opportunities, principally for persons of low and moderate income.
- State Street Aid Fund – Accounts for motor fuel taxes distributed by the State on the basis of local street mileage and population, to be used for maintenance, repair, and construction of streets and highways.
- Emergency Telephone System Fund – Accounts for revenues remitted by the NC 911 Board from service charges imposed on voice communications service connections to be used for the operation and enhancement of the 911 system.

Permanent Fund

A permanent fund is used to report resources that are legally restricted to the extent that only earnings, not principal, may be used.

- Perpetual Care Fund – Accounts for monies held by the City for cemetery maintenance.



FINANCIAL SECTION

Required Supplementary Information, Combining and Individual Fund Statements and Schedules

CITY OF CHARLOTTE, NORTH CAROLINA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
June 30, 2025
(Dollar Amounts in Thousands)

	Special Revenue Funds			
	Convention Center Tax	Tourism	Hall of Fame Tax	Municipal Services District
Assets:				
Cash, cash equivalents and investments	\$ 158,658	\$ 92,801	\$ 58,929	\$ 838
Receivables, net:				
Property taxes	—	—	—	126
Accounts	—	—	—	—
Other	—	—	—	—
Total receivables	—	—	—	126
Due from other governmental agencies	7,633	2,929	2,111	14
Prepaid items	—	—	—	—
Restricted assets - investments	—	—	—	—
Notes receivable	—	—	—	—
Total assets	\$ 166,291	\$ 95,730	\$ 61,040	\$ 978
Liabilities, deferred inflows of resources and fund balances				
Liabilities:				
Accounts payable	\$ 270	\$ 484	\$ —	\$ 852
Deposits and retainage payable	—	—	—	—
Due to other funds	—	—	—	—
Due to component unit	37	400	661	—
Unearned revenues	—	—	—	—
Total liabilities	307	884	661	852
Deferred inflows of resources:				
Unavailable revenues	—	—	—	126
Total deferred inflows of resources	—	—	—	126
Fund balances:				
Nonspendable:				
Perpetual care	—	—	—	—
Prepaid items	—	—	—	—
Restricted:				
Public safety	—	—	—	—
Cultural and recreation	165,984	94,846	60,379	—
Community planning and development	—	—	—	—
Streets and highways	—	—	—	—
Unassigned	—	—	—	—
Total fund balances	165,984	94,846	60,379	—
Total liabilities and fund balances	\$ 166,291	\$ 95,730	\$ 61,040	\$ 978



Special Revenue Funds							
Public Safety and Other Grants	Law Enforcement Emergency Relief	American Rescue Plan Act	General Covid Relief	National Opioid Settlement	Neighborhood Development	State Street Aid	Public Safety Communications
\$ 6,495	\$ -	\$ 18,511	\$ 37	\$ 27	\$ 16,445	\$ 538	\$ 319
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	109	-
-	-	-	-	-	-	109	-
8,852	-	1,601	30	-	3,325	2,181	290
-	-	-	-	-	-	-	63
-	4,042	28,365	-	-	-	-	-
-	-	-	-	-	29,923	-	-
\$ 15,347	\$ 4,042	\$ 48,477	\$ 67	\$ 27	\$ 49,693	\$ 2,828	\$ 672
\$ 569	\$ -	\$ 2,042	\$ 12	\$ -	\$ 1,497	\$ 615	\$ 106
1	-	-	-	-	89	56	-
-	-	-	3,550	-	-	-	-
-	-	-	-	-	-	-	-
1,161	-	16,938	35	-	-	-	-
1,731	-	18,980	3,597	-	1,586	671	106
21	-	-	-	-	-	-	110
21	-	-	-	-	-	-	110
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	63
8,858	4,042	29,497	-	27	-	-	393
-	-	-	-	-	-	-	-
2,828	-	-	-	-	48,107	-	-
1,909	-	-	-	-	-	2,157	-
-	-	-	(3,530)	-	-	-	-
13,595	4,042	29,497	(3,530)	27	48,107	2,157	456
\$ 15,347	\$ 4,042	\$ 48,477	\$ 67	\$ 27	\$ 49,693	\$ 2,828	\$ 672

FINANCIAL SECTION

Required Supplementary Information, Combining and Individual Fund Statements and Schedules

Emergency Telephone System	Permanent Fund		Total Nonmajor Governmental Funds
	Total	Perpetual Care	
\$ 5,421	\$ 359,019	\$ 3,581	\$ 362,600
—	126	—	126
—	—	—	—
—	109	—	109
—	235	—	235
141	29,107	—	29,107
—	63	—	63
—	32,407	—	32,407
—	29,923	—	29,923
\$ 5,562	\$ 450,754	\$ 3,581	\$ 454,335

\$ 166	\$ 6,613	\$ —	\$ 6,613
—	146	—	146
—	3,550	—	3,550
—	1,098	—	1,098
—	18,134	—	18,134
166	29,541	—	29,541

—	257	—	257
—	257	—	257

—	—	3,581	3,581
—	63	—	63
5,396	48,213	—	48,213
—	321,209	—	321,209
—	50,935	—	50,935
—	4,066	—	4,066
—	(3,530)	—	(3,530)
5,396	420,956	3,581	424,537
\$ 5,562	\$ 450,754	\$ 3,581	\$ 454,335





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FINANCIAL SECTION

Required Supplementary Information, Combining and Individual Fund Statements and Schedules

CITY OF CHARLOTTE, NORTH CAROLINA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2025
(Dollar Amounts in Thousands)

	Special Revenue Funds			
	Convention Center Tax	Tourism	Hall Of Fame Tax	Municipal Services District
Revenues:				
Property taxes	\$ —	\$ —	\$ —	\$ 10,577
Other taxes	87,308	33,823	22,767	—
Intergovernmental	—	2,948	—	—
Licenses, fees and fines	—	—	—	—
Investment earnings	6,530	5,184	2,526	46
Administrative charges	—	—	—	—
Charges for current services	—	—	—	—
Miscellaneous	—	894	—	—
Private contributions	1,000	1,151	—	—
Total revenues	94,838	44,000	25,293	10,623
Expenditures:				
Current-				
Public safety	—	—	—	—
Sanitation	—	—	—	—
General administration	—	—	—	—
Support services	—	—	—	—
Engineering and property management	—	—	—	—
Streets and highways	—	—	—	—
Culture and recreation	37,168	10,504	2,857	—
Community planning and development	—	8,138	—	10,597
Debt service-				
Principal	—	—	—	—
Interest and other charges	—	—	—	—
Total expenditures	37,168	18,642	2,857	10,597
Excess (deficiency) of revenues over (under) expenditures	57,670	25,358	22,436	26
Other Financing Sources (Uses):				
Sales of capital assets	—	—	—	—
Transfers in-				
General	—	1,261	—	—
Debt service	—	331	—	—
Capital projects	—	13,813	—	—
Public transit operating	—	—	—	—
Total transfers in	—	15,405	—	—
Transfers out-				
General	(250)	—	—	—
Debt service	(10,872)	(21,775)	(8,668)	—
Capital projects	—	(21,782)	—	—
Total transfers out	(11,122)	(43,557)	(8,668)	—
Total other financing sources (uses)	(11,122)	(28,152)	(8,668)	—
Net change in fund balances	46,548	(2,794)	13,768	26
Fund balances - beginning	119,436	97,640	46,611	(26)
Change within financial reporting entity (major to nonmajor fund)	—	—	—	—
Fund balances - beginning (restated)	119,436	97,640	46,611	(26)
Fund balances - ending	\$ 165,984	\$ 94,846	\$ 60,379	\$ —



Special Revenue Funds

Public Safety and Other Grants	Law Enforcement Emergency Relief	American Rescue Plan Act	General Covid Relief	National Opioid Settlement	Neighborhood Development	State Street Aid	Public Safety Communications
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
18,020	-	45,668	102	-	13,432	13,680	4,305
-	-	-	-	-	7,841	-	-
609	180	2,467	-	-	5	122	81
-	-	-	-	-	-	-	4,395
-	-	-	-	-	1,257	-	-
-	-	-	-	-	223	108	-
2,255	-	-	-	-	690	-	-
20,884	180	48,135	102	-	23,448	13,910	8,781
18,529	11	25,386	-	-	-	-	-
-	-	250	-	-	-	-	-
-	-	4,745	-	-	716	-	-
-	-	52	7	-	-	-	7,341
-	-	91	-	-	-	-	-
6,035	-	-	-	-	-	11,276	-
-	-	-	-	-	-	-	-
248	-	17,194	75	-	21,495	-	-
210	-	-	-	-	-	-	-
3	-	-	-	-	-	-	-
25,025	11	47,718	82	-	22,211	11,276	7,341
(4,141)	169	417	20	-	1,237	2,634	1,440
-	-	-	-	-	870	92	-
432	-	25,363	-	-	-	514	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
116	-	-	-	-	-	-	-
548	-	25,363	-	-	-	514	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	(3,041)	-
-	-	(3,842)	-	-	-	-	(1,354)
-	-	(3,842)	-	-	-	(3,041)	(1,354)
548	-	21,521	-	-	870	(2,435)	(1,354)
(3,593)	169	21,938	20	-	2,107	199	86
17,188	3,873	7,559	-	27	46,000	1,958	370
-	-	-	(3,550)	-	-	-	-
17,188	3,873	7,559	(3,550)	27	46,000	1,958	370
\$ 13,595	\$ 4,042	\$ 29,497	\$ (3,530)	\$ 27	\$ 48,107	\$ 2,157	\$ 456



FINANCIAL SECTION

Required Supplementary Information, Combining and Individual Fund Statements and Schedules

Emergency Telephone System	Total	Permanent Fund	
		Perpetual Care	Total Nonmajor Governmental Funds
\$ —	\$ 10,577	\$ —	\$ 10,577
—	143,898	—	143,898
761	98,916	—	98,916
—	7,841	—	7,841
256	18,006	159	18,165
—	4,395	—	4,395
—	1,257	76	1,333
—	1,225	—	1,225
—	5,096	—	5,096
1,017	291,211	235	291,446
2,767	46,693	—	46,693
—	250	—	250
—	5,461	—	5,461
—	7,400	—	7,400
—	91	—	91
—	17,311	—	17,311
—	50,529	—	50,529
—	57,747	—	57,747
—	210	—	210
—	3	—	3
2,767	185,695	—	185,695
(1,750)	105,516	235	105,751
—	962	—	962
—	27,570	—	27,570
—	331	—	331
—	13,813	—	13,813
—	116	—	116
—	41,830	—	41,830
—	(250)	(144)	(394)
—	(44,356)	—	(44,356)
—	(26,978)	—	(26,978)
—	(71,584)	(144)	(71,728)
—	(28,792)	(144)	(28,936)
(1,750)	76,724	91	76,815
7,146	347,782	3,490	351,272
—	(3,550)	—	(3,550)
7,146	344,232	3,490	347,722
\$ 5,396	\$ 420,956	\$ 3,581	\$ 424,537





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FINANCIAL SECTION

Required Supplementary Information, Combining and Individual Fund Statements and Schedules

CITY OF CHARLOTTE, NORTH CAROLINA
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES-
BUDGET AND ACTUAL (NON-GAAP BASIS)
FOR THE YEAR ENDED JUNE 30, 2025
(Dollar Amounts in Thousands)

	Convention Center Tax			Tourism		
	Budget	Actual	Variance-Positive (Negative)	Budget	Actual	Variance-Positive (Negative)
Revenues:						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other taxes	79,533	87,308	7,775	30,956	33,823	2,867
Intergovernmental	-	-	-	2,948	2,948	-
Investment earnings	3,169	6,530	3,361	2,476	5,185	2,709
Administrative charges	-	-	-	-	-	-
Miscellaneous	-	-	-	403	894	491
Private contributions	1,000	1,000	-	1,151	1,151	-
Total revenues	83,702	94,838	11,136	37,934	44,001	6,067
Expenditures:						
Current-						
Public safety	-	-	-	-	-	-
Support services	-	-	-	-	-	-
Streets and highways	-	-	-	-	-	-
Culture and recreation	39,921	37,172	2,749	12,426	11,738	688
Community planning and development	-	-	-	8,138	8,138	-
Total expenditures	39,921	37,172	2,749	20,564	19,876	688
Excess (deficiency) of revenues over (under) expenditures	43,781	57,666	13,885	17,370	24,125	6,755
Other Financing Sources (Uses):						
Sales of capital assets	-	-	-	-	-	-
Transfers in	-	-	-	15,052	15,405	353
Transfers out	(18,971)	(11,122)	7,849	(47,017)	(43,558)	3,459
Total other financing sources (uses)	(18,971)	(11,122)	7,849	(31,965)	(28,153)	3,812
Revenues and other sources over (under) expenditures and other uses	<u>\$ 24,810</u>	<u>46,544</u>	<u>\$ 21,734</u>	<u>\$ (14,595)</u>	<u>(4,028)</u>	<u>\$ 10,567</u>
Reconciliation to GAAP Basis:						
Current year encumbrances		4			1,234	
Net change in fund balances		46,548			(2,794)	
Fund balances - beginning (annually budgeted funds)		<u>119,436</u>			<u>97,640</u>	
Fund balances - ending (annually budgeted funds)		<u>\$ 165,984</u>			<u>\$ 94,846</u>	
Project funds:						
Fund balances - beginning						
Net change in fund balances						
Fund balances - ending						
Fund balances - ending						



Hall of Fame Tax			Municipal Services District		
Budget	Actual	Variance- Positive (Negative)	Budget	Actual	Variance- Positive (Negative)
\$ -	\$ -	\$ -	\$ 10,623	\$ 10,577	\$ (46)
21,258	22,767	1,509	-	-	-
-	-	-	-	-	-
1,055	2,526	1,471	-	46	46
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
22,313	25,293	2,980	10,623	10,623	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
5,515	4,896	619	-	-	-
-	-	-	10,693	10,597	96
5,515	4,896	619	10,693	10,597	96
16,798	20,397	3,599	(70)	26	96
-	-	-	-	-	-
-	-	-	-	-	-
(9,060)	(8,668)	392	-	-	-
(9,060)	(8,668)	392	-	-	-
<u>\$ 7,738</u>	11,729	<u>\$ 3,991</u>	<u>\$ (70)</u>	26	<u>\$ 96</u>
	2,039			-	
	13,768			26	
	46,611			(26)	
<u>\$ 60,379</u>			<u>\$ -</u>		

Continued on next page

FINANCIAL SECTION

Required Supplementary Information, Combining and Individual Fund Statements and Schedules

CITY OF CHARLOTTE, NORTH CAROLINA

SPECIAL REVENUE FUNDS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES-

BUDGET AND ACTUAL (NON-GAAP BASIS)

FOR THE YEAR ENDED JUNE 30, 2025

(Dollar Amounts in Thousands)

	Law Enforcement Emergency Relief			National Opioid Settlement		
	Budget	Actual	Variance-Positive (Negative)	Budget	Actual	Variance-Positive (Negative)
Revenues:						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Investment earnings	11	180	169	15	-	(15)
Administrative charges	-	-	-	-	-	-
Miscellaneous	-	-	-	309	-	(309)
Private contributions	-	-	-	-	-	-
Total revenues	11	180	169	324	-	(324)
Expenditures:						
Current-						
Public safety	11	11	-	-	-	-
Support services	-	-	-	-	-	-
Streets and highways	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Community planning and development	-	-	-	27	-	27
Total expenditures	11	11	-	27	-	27
Excess (deficiency) of revenues over (under) expenditures	-	169	169	297	-	(297)
Other Financing Sources (Uses):						
Sales of capital assets	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Revenues and other sources over (under) expenditures and other uses	\$ -	169	\$ 169	\$ 297	-	\$ (297)
Reconciliation to GAAP Basis:						
Current year encumbrances		-			-	
Net change in fund balances		169			-	
Fund balances - beginning (annually budgeted funds)		3,873			27	
Fund balances - ending (annually budgeted funds)		<u>\$ 4,042</u>			<u>\$ 27</u>	
Project funds:						
Fund balances - beginning						
Net change in fund balances						
Fund balances - ending						
Fund balances - ending						



State Street Aid			Public Safety Communications			Total		
Budget	Actual	Variance-Positive (Negative)	Budget	Actual	Variance-Positive (Negative)	Budget	Actual	Variance-Positive (Negative)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,623	\$ 10,577	\$ (46)
-	-	-	-	-	-	131,747	143,898	12,151
13,680	13,680	-	4,295	4,305	10	20,923	20,933	10
83	122	39	4	81	77	6,813	14,670	7,857
-	-	-	4,380	4,395	15	4,380	4,395	15
-	109	109	5	-	(5)	717	1,003	286
-	-	-	-	-	-	2,151	2,151	-
13,763	13,911	148	8,684	8,781	97	177,354	197,627	20,273
-	-	-	-	-	-	11	11	-
-	-	-	7,377	7,377	-	7,377	7,377	-
12,559	12,219	340	-	-	-	12,559	12,219	340
-	-	-	-	-	-	57,862	53,806	4,056
-	-	-	-	-	-	18,858	18,735	123
12,559	12,219	340	7,377	7,377	-	96,667	92,148	4,519
1,204	1,692	488	1,307	1,404	97	80,687	105,479	24,792
170	92	(78)	-	-	-	170	92	(78)
514	514	-	-	-	-	15,566	15,919	353
(3,041)	(3,041)	-	(1,354)	(1,354)	-	(79,443)	(67,743)	11,700
(2,357)	(2,435)	(78)	(1,354)	(1,354)	-	(63,707)	(51,732)	11,975
<u>\$ (1,153)</u>	<u>(743)</u>	<u>\$ 410</u>	<u>\$ (47)</u>	<u>50</u>	<u>\$ 97</u>	<u>\$ 16,980</u>	<u>53,747</u>	<u>\$ 36,767</u>
	942			36			4,255	
	199			86			58,002	
	<u>1,958</u>			<u>370</u>			<u>269,889</u>	
	<u>\$ 2,157</u>			<u>\$ 456</u>			<u>327,891</u>	
							77,893	
							18,702	
							96,595	
							<u>\$ 424,486</u>	



FINANCIAL SECTION

Required Supplementary Information, Combining and Individual Fund Statements and Schedules

CITY OF CHARLOTTE, NORTH CAROLINA

PERPETUAL CARE FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES-

BUDGET AND ACTUAL (NON-GAAP BASIS)

FOR THE YEAR ENDED JUNE 30, 2025

(Dollar Amounts in Thousands)

	Budget	Actual	Variance- Positive (Negative)
Revenues:			
Investment earnings	\$ 144	\$ 159	\$ 15
Charges for current services	–	76	76
Total revenues	144	235	91
Other Financing Sources (Uses):			
Transfers out	(144)	(144)	–
Revenues over other financing sources (uses)	\$ –	91	\$ 91
Fund balance - beginning		3,490	
Fund balance - ending		<u>\$ 3,581</u>	



CITY OF CHARLOTTE, NORTH CAROLINA
EMERGENCY TELEPHONE SYSTEM FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES-
ANNUAL BUDGET AND ACTUAL (NON-GAAP BASIS) ⁽¹⁾
FOR THE YEAR ENDED JUNE 30, 2025
(Dollar Amounts in Thousands)

	Budget	Actual	Variance- Positive (Negative)
Revenues:			
Intergovernmental	\$ 2,754	\$ 761	\$ (1,993)
Investment earnings	13	256	243
Total revenues	2,767	1,017	(1,750)
Expenditures:			
Public Safety-			
Implemental functions	—	—	—
Telephone and furniture	1,645	1,645	—
Software maintenance	786	786	—
Hardware maintenance	306	306	—
Training	30	30	—
Total expenditures	2,767	2,767	—
Excess of revenues over expenditures	\$ —	(1,750)	\$ (1,750)
Fund balance, beginning		7,146	
Fund balance, ending		<u><u>\$ 5,396</u></u>	



FINANCIAL SECTION

Required Supplementary Information, Combining and Individual Fund Statements and Schedules

CITY OF CHARLOTTE, NORTH CAROLINA
PUBLIC SAFETY AND OTHER GRANTS FUND
SCHEDULE OF EXPENDITURES COMPARED WITH AUTHORIZATIONS
FOR THE YEAR ENDED JUNE 30, 2025
(Dollar Amounts in Thousands)

	Authorizations	Expenditures			Unexpended Authorizations
		Current Year	Prior Years	Total	
Public safety	\$ 97,207	\$ 13,310	\$ 68,626	\$ 81,936	\$ 15,271
Affordable housing	1,644	124	1,294	1,418	226
Neighborhood improvements	3,037	118	2,659	2,777	260
Area plans	58,456	5,193	38,342	43,535	14,921
Non-street transportation infrastructure	2,503	173	1,605	1,778	725
Street and road infrastructure	65	—	—	—	65
Traffic control	4,153	806	1,153	1,959	2,194
Environmental Services Program	60	—	—	—	60
Technology	20,489	570	19,180	19,750	739
Vehicles	2,513	797	1,716	2,513	—
Communications equipment	1,251	278	973	1,251	—
Other equipment	20,294	3,656	15,421	19,077	1,217
Total public safety grants	\$ 211,672	\$ 25,025	\$ 150,969	\$ 175,994	\$ 35,678



CITY OF CHARLOTTE, NORTH CAROLINA
AMERICAN RESCUE PLAN ACT FUND
SCHEDULE OF EXPENDITURES COMPARED WITH AUTHORIZATIONS
FOR THE YEAR ENDED JUNE 30, 2025
(Dollar Amounts in Thousands)

	Authorizations	Expenditures			Unexpended Authorizations
		Current Year	Prior Years	Total	
American Rescue Plan Act	\$ 173,217	\$ 43,434	\$ 87,011	\$ 130,445	\$ 42,772
Affordable housing	44,319	4,283	27,653	31,936	12,383
Total American Rescue Plan Act	\$ 217,536	\$ 47,717	\$ 114,664	\$ 162,381	\$ 55,155



FINANCIAL SECTION

Required Supplementary Information, Combining and Individual Fund Statements and Schedules

CITY OF CHARLOTTE, NORTH CAROLINA

GENERAL COVID RELIEF FUND

SCHEDULE OF EXPENDITURES COMPARED WITH AUTHORIZATIONS

FOR THE YEAR ENDED JUNE 30, 2025

(Dollar Amounts in Thousands)

	Authorizations	Expenditures			Unexpended Authorizations
		Current Year	Prior Years	Total	
CARES Act:					
Coronavirus Relief Fund	\$ 156,542	\$ (7)	\$ 156,470	\$ 156,463	\$ 79
Community development block grant	39,020	82	37,974	38,056	964
Emergency shelter	8,633	—	8,632	8,632	1
Housing for persons with AIDS	416	—	416	416	—
FEMA public assistance	9,000	7	7,844	7,851	1,149
Total general COVID relief fund	\$ 213,611	\$ 82	\$ 211,336	\$ 211,418	\$ 2,193



CITY OF CHARLOTTE, NORTH CAROLINA
NEIGHBORHOOD DEVELOPMENT FUND
SCHEDULE OF EXPENDITURES COMPARED WITH AUTHORIZATIONS
FOR THE YEAR ENDED JUNE 30, 2025
(Dollar Amounts in Thousands)

	Authorizations	Expenditures			Unexpended Authorizations
		Current Year	Prior Years	Total	
Housing	\$ 7,010	\$ 401	\$ 5,204	\$ 5,605	\$ 1,405
Affordable housing	163,606	15,197	126,313	141,510	22,096
Housing grants	31,431	3,649	20,982	24,631	6,800
Neighborhood improvements	7,444	1,187	3,144	4,331	3,113
Economic development corridors	20,757	680	16,029	16,709	4,048
Technology	250	30	–	30	220
Tree program	32,704	3,694	12,701	16,395	16,309
Total neighborhood development	\$ 263,202	24,838	\$ 184,373	\$ 209,211	\$ 53,991
Contra expense for issuance of long-term loans receivable		(2,627)			
		\$ 22,211			

FINANCIAL SECTION

Required Supplementary Information, Combining and Individual Fund Statements and Schedules

CITY OF CHARLOTTE, NORTH CAROLINA
EMERGENCY TELEPHONE SYSTEM FUND
SCHEDULE OF EXPENDITURES COMPARED WITH AUTHORIZATIONS
FOR THE YEAR ENDED JUNE 30, 2025
(Dollar Amounts in Thousands)

	Authorizations	Expenditures			Unexpended Authorizations
		Current Year	Prior Year	Total	
Implemental functions	\$ 590	\$ –	\$ 590	\$ 590	\$ –
Phone and furniture	7,877	1,645	5,935	7,580	297
Software	6,246	786	3,105	3,891	2,355
Hardware	1,545	306	1,239	1,545	–
Training	161	30	131	161	–
Total emergency telephone systems	\$ 16,419	\$ 2,767	\$ 11,000	\$ 13,767	\$ 2,652



DEBT SERVICE FUND

The Debt Service fund is used to account for the accumulation of resources and the payment of principal, interest and related costs for all long-term debt other than debt issued for and serviced by business-type activities.

CAPITAL PROJECTS FUND

The Capital Projects fund accounts for financial resources, primarily bond proceeds and property taxes, used for the acquisition, construction or improvement of capital assets.

FINANCIAL SECTION

Required Supplementary Information, Combining and Individual Fund Statements and Schedules

CITY OF CHARLOTTE, NORTH CAROLINA

DEBT SERVICE FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES-

BUDGET AND ACTUAL (NON-GAAP BASIS)

FOR THE YEAR ENDED JUNE 30, 2025

(Dollar Amounts in Thousands)

	Budget	Actual	Variance- Positive (Negative)
Revenues:			
Property taxes	\$ 124,851	\$ 125,307	\$ 456
Other taxes	413	—	(413)
Intergovernmental	34,904	33,777	(1,127)
Licenses, fees and fines	64	—	(64)
Investment earnings	5,175	5,084	(91)
Miscellaneous	281	157	(124)
Total revenues	165,688	164,325	(1,363)
Expenditures:			
Bonds-			
Principal retirement	75,700	75,700	—
Interest	38,776	38,776	—
Installment purchases-			
Principal retirement	34,650	34,650	—
Interest	41,531	31,655	9,876
Fiscal agent fees	3,029	566	2,463
Cost of bond sale	750	700	50
Other	100	691	(591)
Total expenditures	194,536	182,738	11,798
Revenues (under) expenditures	(28,848)	(18,413)	10,435



CITY OF CHARLOTTE, NORTH CAROLINA

DEBT SERVICE FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES-

BUDGET AND ACTUAL (NON-GAAP BASIS)-(Continued)

FOR THE YEAR ENDED JUNE 30, 2025

(Dollar Amounts in Thousands)

	Budget	Actual	Variance- Positive (Negative)
Other Financing Sources (Uses):			
General obligation bonds issued	—	—	—
Installment Purchases Issued	—	213	213
Refunding debt issued	64,510	59,995	(4,515)
Premium on debt issuance	6,240	6,236	(4)
Payment to refunded bond escrow agent	(70,000)	(65,753)	4,247
Transfers in-			
General	—	—	—
Special revenue:			
Convention Center tax	18,721	10,872	(7,849)
Tourism	25,233	21,775	(3,458)
Hall of Fame tax	9,060	8,668	(392)
State street aid	3,041	3,041	—
Capital Projects	48,270	48,270	—
Total transfers in	104,325	92,626	(11,699)
Transfers out-			
General	—	—	—
Special revenue:			
Tourism	331	331	—
General COVID Relief	—	—	—
Capital Projects	81,046	81,046	—
Employee Health and Life	10,686	10,686	—
Total transfers out	92,063	92,063	—
Total other financing sources (uses)	13,012	1,254	(11,758)
Revenues and other sources over expenditures and other uses	<u>\$ (15,836)</u>	<u>(17,159)</u>	<u>\$ (1,323)</u>
Reconciliation to GAAP Basis:			
Current year encumbrances		41	
Net change in fund balance		(17,118)	
Fund balance - beginning		190,401	
Fund balance - ending		<u>\$ 173,283</u>	



FINANCIAL SECTION

Required Supplementary Information, Combining and Individual Fund Statements and Schedules

CITY OF CHARLOTTE, NORTH CAROLINA

CAPITAL PROJECTS FUND

SCHEDULE OF EXPENDITURES COMPARED WITH AUTHORIZATIONS

FOR THE YEAR ENDED JUNE 30, 2025

(Dollar Amounts in Thousands)

	Authorizations	Expenditures			Unexpended Authorizations
		Current Year	Prior Years	Total	
Capital equipment	\$ 56,185	\$ 44,974	\$ 59,804	\$ 104,778	\$ (48,593)
Housing	19,056	291	13,189	13,480	5,576
Affordable housing	394,251	40,226	233,633	273,859	120,392
Innovative housing	157,155	2,488	151,308	153,796	3,359
Neighborhood improvements	373,939	13,116	198,666	211,782	162,157
Area plans	11,693	147	11,302	11,449	244
Street and road infrastructure	876,624	64,209	516,016	580,225	296,399
Non-street transportation infrastructure	372,547	14,658	193,783	208,441	164,106
Traffic control	113,818	5,982	88,586	94,568	19,250
Pedestrian safety	368,151	13,901	205,808	219,709	148,442
Transportation partnerships	15,164	284	11,506	11,790	3,374
Transit corridor development	366,959	92,515	220,656	313,171	53,788
Transit facilities	1,000	—	—	—	1,000
Economic development corridors	120,191	5,079	103,668	108,747	11,444
Business corridors	38,677	1,344	34,639	35,983	2,694
Land acquisition	15,868	7,387	2,471	9,858	6,010
Environmental services program	38,536	1,288	37,864	39,152	(616)
Tree program	41,574	3,741	35,606	39,347	2,227
Capacity for growth sewer	203	—	203	203	—
New facilities	504,213	38,186	402,227	440,413	63,800
Facility renovations	1,332,641	148,998	407,182	556,180	776,461
Capital facilities maintenance	155,713	6,756	141,641	148,397	7,316
Technology	150,619	29,099	113,976	143,075	7,544
Other equipment	53,168	8,021	29,198	37,219	15,949
Total capital projects	\$ 5,577,945	542,690	\$ 3,212,932	\$ 3,755,622	\$ 1,822,323
Adjustments for lease related expenditures		(590)			
Adjustments for SBITA related expenditures		(2,487)			
Debt service for lease long term liabilities		590			
Debt service for SBITA long term liabilities		25,263			
Contra expense for issuance of long-term loans receivable		(43,878)			
		\$ 521,588			



ENTERPRISE FUNDS

Enterprise funds are used to account for operations that charge a fee for service to customers similar to private business enterprises. The City has four enterprise operations.

- Water and Sewer Fund – Accounts for the operation of Charlotte Water, provider of water and wastewater services.
- Storm Water Fund – Accounts for the operation of Charlotte Storm Water Services, administrator of storm water programs and policies.
- Airport Fund – Accounts for the operation of the Charlotte Douglas International Airport.
- Public Transit Fund – Accounts for the operation of Charlotte Area Transit System, provider of community-wide public transportation services.

FINANCIAL SECTION

Required Supplementary Information, Combining and Individual Fund Statements and Schedules

CITY OF CHARLOTTE, NORTH CAROLINA
WATER AND SEWER OPERATING FUND
SCHEDULE OF REVENUES, EXPENDITURES AND TRANSFERS-
BUDGET AND ACTUAL (NON-GAAP BASIS)
FOR THE YEAR ENDED JUNE 30, 2025
(Dollar Amounts in Thousands)

	Budget	Actual	Variance- Positive (Negative)
Revenues:			
Volumetric rates	\$ 398,890	\$ 404,890	\$ 6,000
Fixed rates	111,199	105,502	(5,697)
System development fees	47,000	76,607	29,607
Other	37,845	32,330	(5,515)
Investment earnings	2,000	7,098	5,098
Total revenues	596,934	626,427	29,493
Expenditures:			
Water supply and treatment	23,172	22,402	770
Sewer system and treatment	66,796	66,384	412
Administration and engineering	57,124	54,100	3,024
Other operating	103,602	100,872	2,730
Total expenditures	250,694	243,758	6,936
Revenues over expenditures	346,240	382,669	36,429
Transfers Out:			
Water and Sewer Debt Service	178,442	164,652	13,790
Water and Sewer Capital Projects	189,230	170,000	19,230
Capital Projects	3,425	3,296	129
Total transfers out	371,097	337,948	33,149
Revenues (under) over expenditures and transfers	\$ (24,857)	\$ 44,721	\$ 69,578



CITY OF CHARLOTTE, NORTH CAROLINA
WATER AND SEWER DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND TRANSFERS-
BUDGET AND ACTUAL (NON-GAAP BASIS)
FOR THE YEAR ENDED JUNE 30, 2025
(Dollar Amounts in Thousands)

	Budget	Actual	Variance- Positive (Negative)
Revenues:			
Investment earnings	\$ —	\$ —	\$ —
Refunding bonds Issued	—	—	—
Premium on debt issuance	—	—	—
Other	—	—	—
Total revenues	—	—	—
Expenditures:			
Bonds-			
Principal retirement	71,450	71,450	—
Interest	87,222	87,222	—
Other financing agreements-			
Principal retirement	10,014	9,889	125
Interest	8,931	8,892	39
Payment to refunded bond escrow agent	—	—	—
Bond issue expense	681	16	665
Other	143	43	100
Total expenditures	178,441	177,512	929
Revenues (under) expenditures	(178,441)	(177,512)	929
Transfers In:			
Water and Sewer Operating	178,666	164,876	(13,790)
Revenues and transfers over expenditures	\$ 225	\$ (12,636)	\$ (12,861)



FINANCIAL SECTION

Required Supplementary Information, Combining and Individual Fund Statements and Schedules

CITY OF CHARLOTTE, NORTH CAROLINA

WATER AND SEWER FUND

SCHEDULE OF RECONCILIATION OF BUDGETARY (NON-GAAP BASIS)

TO FULL ACCRUAL BASIS

FOR THE YEAR ENDED JUNE 30, 2025

(Dollar Amounts in Thousands)

Revenues and transfers over expenditures and transfers:

Operating Fund	\$ 44,721
Debt Service Fund	(12,636)
Lease revenue	32
Capital Projects Fund investment earnings	9,807
Current year encumbrances	9,166
Deferred outflows of resources for pensions	(4,688)
Net pension liability	(276)
Deferred inflows of resources for pensions	184
Deferred outflows of resources for OPEB	(1,387)
Net OPEB asset	2,596
Deferred inflows of resources for OPEB	1,099
Depreciation	(206,851)
Amortization	(1,759)
Bond proceeds	—
Premium on debt issuance	—
Debt principal retirement	81,339
Capital outlay	349
Amortization of deferred charges	(434)
Amortization of premium	1,520
Deferred inflows of gains on refundings	10,778
Deferred outflows of loss on refundings	(803)
Lease rent expense	489
SBITA expense	1,644
Lease interest expense	(91)
SBITA interest expense	(42)
Capital contributions	134,914
Other	(17,358)
Net transfers to (from) Water and Sewer Capital Projects Fund:	
Water and Sewer Operating	169,776
Compensated absences	(1,120)
Change in net position	<u>\$ 220,969</u>

Note: Pursuant to state law, budgets are adopted on an annual basis for Operating and Debt Service Funds. Budgets for Capital Projects Funds are adopted on a project basis.

CITY OF CHARLOTTE, NORTH CAROLINA
WATER AND SEWER CAPITAL PROJECTS FUND
SCHEDULE OF EXPENDITURES COMPARED WITH AUTHORIZATIONS
FOR THE YEAR ENDED JUNE 30, 2025
(Dollar Amounts in Thousands)

	Authorizations	Expenditures			Unexpended Authorizations
		Current Year	Prior Years	Total	
Water:					
Capacity for growth	\$ 638,345	\$ 21,542	\$ 580,930	\$ 602,472	\$ 35,873
Commitment public projects/operations	201,110	9,905	164,033	173,938	27,172
Rehab and replacement	638,018	36,564	521,277	557,841	80,177
Regulatory requirements	91,117	19,780	61,598	81,378	9,739
Sewer:					
Capacity for growth	1,947,064	236,910	1,529,881	1,766,791	180,273
Commitment public projects/operations	132,777	1,634	114,726	116,360	16,417
Rehab and replacement	1,221,962	32,265	1,055,162	1,087,427	134,535
Regulatory requirements	334,607	14,974	279,016	293,990	40,617
New facilities	57,665	1	56,509	56,510	1,155
Facility renovations	7,688	1,093	3,413	4,506	3,182
Facilities maintenance	8,523	2,514	2,334	4,848	3,675
Technology	82,481	6,184	62,795	68,979	13,502
Capital equipment	64,707	6,837	53,745	60,582	4,125
Total water and sewer capital projects	\$ 5,426,064	\$ 390,203	\$ 4,485,419	\$ 4,875,622	\$ 550,442



FINANCIAL SECTION

Required Supplementary Information, Combining and Individual Fund Statements and Schedules

CITY OF CHARLOTTE, NORTH CAROLINA
STORM WATER OPERATING FUND
SCHEDULE OF REVENUES, EXPENDITURES AND TRANSFERS-
BUDGET AND ACTUAL (NON-GAAP BASIS)
FOR THE YEAR ENDED JUNE 30, 2025
(Dollar Amounts in Thousands)

	Budget	Actual	Variance- Positive (Negative)
Revenues:			
Storm water fees	\$ 82,048	\$ 83,372	\$ 1,324
Licenses, fees and fines	3,600	4,059	459
Other	—	4	4
Investment earnings	500	1,134	634
Total revenues	86,148	88,569	2,421
Expenditures:			
Storm water systems	27,332	26,424	908
Administration	4,573	4,573	—
Total expenditures	31,905	30,997	908
Revenues over expenditures	54,243	57,572	3,329
Transfers In:			
Storm Water Capital Projects	2,269	2,269	—
Total transfers in	2,269	2,269	—
Transfers Out:			
Storm Water Debt Service	21,968	21,812	156
Storm Water Capital Projects	41,000	41,000	—
Capital Projects	770	770	—
Total transfers out	63,738	63,582	156
Revenues over (under) expenditures and transfers	\$ (7,226)	\$ (3,741)	\$ 3,485



CITY OF CHARLOTTE, NORTH CAROLINA
STORM WATER DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND TRANSFERS-
BUDGET AND ACTUAL (NON-GAAP BASIS)
FOR THE YEAR ENDED JUNE 30, 2025
(Dollar Amounts in Thousands)

	Budget	Actual	Variance- Positive (Negative)
Revenues:			
Refunding bonds Issued	\$ 181,295	\$ 181,295	\$ –
Premium on debt issuance	16,942	16,942	–
Total revenues	198,237	198,237	–
Expenditures:			
Bonds-			
Principal retirement	9,446	\$ 9,380	\$ 66
Interest	11,251	11,251	–
Other financing agreements-			
Principal retirement	334	334	–
Interest	808	780	28
Payment to refunded bond escrow agent	197,315	197,315	–
Bond issue expense	993	993	–
Other operating	57	35	22
Total expenditures	220,204	220,088	116
Transfers In:			
Storm Water Operating	21,967	21,812	(155)
Revenues and transfers over (under) expenditures	\$ –	\$ (39)	\$ (39)



FINANCIAL SECTION

Required Supplementary Information, Combining and Individual Fund Statements and Schedules

CITY OF CHARLOTTE, NORTH CAROLINA

STORM WATER FUND

SCHEDULE OF RECONCILIATION OF BUDGETARY (NON-GAAP BASIS)

TO FULL ACCRUAL BASIS

FOR THE YEAR ENDED JUNE 30, 2025

(Dollar Amounts in Thousands)

Revenues and transfers over (under) expenditures and transfers:

Operating Fund	\$ (3,741)
Debt Service Fund	(39)
Capital Projects Fund:	
Charges for services	1,394
Investment earnings	3,607
Current year encumbrances	2,515
Deferred outflows of resources for pensions	(975)
Net pension liability	(445)
Deferred inflows of resources for pensions	38
Deferred outflows of resources for OPEB	(283)
Net OPEB liability	711
Deferred inflows of resources for OPEB	236
Depreciation	(21,467)
Amortization	(9)
Bond proceeds	(181,295)
Debt principal retirement	207,029
Premium on debt issuance	(16,942)
Amortization of deferred charges	(65)
Amortization of premium	10,301
Deferred inflows of gain on refundings	(8,697)
Lease rent expense	10
Lease interest expense	(1)
Other	(162)
Net transfers to (from) Storm Water Capital Projects Fund:	
Capital Project Fund	41,000
Compensated absences	(475)
Change in net position	<u>\$ 32,245</u>

Note: Pursuant to state law, budgets are adopted on an annual basis for Operating and Debt Service Funds. Budgets for Capital Projects Funds are adopted on a project basis.

CITY OF CHARLOTTE, NORTH CAROLINA
STORM WATER CAPITAL PROJECTS FUND
SCHEDULE OF EXPENDITURES COMPARED WITH AUTHORIZATIONS
FOR THE YEAR ENDED JUNE 30, 2025
(Dollar Amounts in Thousands)

	Authorizations	Expenditures			Unexpended Authorizations
		Current Year	Prior Years	Total	
Flood control program	\$ 607,080	\$ 34,421	\$ 524,395	\$ 558,816	\$ 48,264
Storm water maintenance program	466,726	45,112	406,640	451,752	14,974
Stream restoration/mitigation	156,272	3,590	97,907	101,497	54,775
Storm water support for projects	52,511	20	47,379	47,399	5,112
Transit corridor development	2,545	–	2,533	2,533	12
Capital equipment	1,745	228	1,278	1,506	239
Total storm water capital projects	\$ 1,286,879	\$ 83,371	\$ 1,080,132	\$ 1,163,503	\$ 123,376



FINANCIAL SECTION

Required Supplementary Information, Combining and Individual Fund Statements and Schedules

CITY OF CHARLOTTE, NORTH CAROLINA
AIRPORT OPERATING FUND
SCHEDULE OF REVENUES, EXPENDITURES AND TRANSFERS-
BUDGET AND ACTUAL (NON-GAAP BASIS)
FOR THE YEAR ENDED JUNE 30, 2025
(Dollar Amounts in Thousands)

	Budget	Actual	Variance- Positive (Negative)
Revenues:			
Terminal area	\$ 147,711	\$ 146,627	\$ (1,084)
Airfield	68,078	68,843	765
Concessions	69,075	69,368	293
Rental car revenues	23,149	22,692	(457)
Parking	120,000	124,986	4,986
Passenger facility charges	119,802	106,812	(12,990)
Contract facility charges	17,535	21,507	3,972
Fixed base operator (FBO)	41,841	33,342	(8,499)
Other	17,187	20,459	3,272
Grant contributions	—	3,983	3,983
Investment earnings	3,000	51,493	48,493
Total revenues	627,378	670,112	42,734
Expenditures:			
Operating	316,788	301,173	15,615
Nonoperating	47,652	53,843	(6,191)
Total expenditures	364,440	355,016	9,424
Revenues over expenditures	262,938	315,096	52,158
Transfers In:			
Airport Capital Projects	57,396	40,350	(17,046)
Total transfers in	57,396	40,350	(17,046)
Transfers Out:			
Airport Debt Service	129,369	116,764	12,605
Airport Capital Projects	312,860	249,574	63,286
Total transfers out	442,229	366,338	75,891
Revenues and transfers over (under) expenditures and transfers	<u>\$ (121,895)</u>	<u>\$ (10,892)</u>	<u>\$ 111,003</u>



CITY OF CHARLOTTE, NORTH CAROLINA
AIRPORT DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND TRANSFERS-
BUDGET AND ACTUAL (NON-GAAP BASIS)
FOR THE YEAR ENDED JUNE 30, 2025
(Dollar Amounts in Thousands)

	Budget	Actual	Variance- Positive (Negative)
Revenues:			
Refunding bonds Issued	\$ 55,835	\$ 62,094	\$ 6,259
Premium on debt issuance	16,099	16,240	141
Investment earnings	–	7,459	7,459
Total revenues	71,934	85,793	13,859
Expenditures:			
Bonds-			
Principal retirement	43,590	43,520	70
Interest	79,553	73,639	5,914
Payment to refunded bond escrow agent	64,751	51,565	13,186
Bond issue expense	2,671	2,377	294
Other	526	54	472
Total expenditures	191,091	171,155	19,936
Revenues (under) expenditures	(119,157)	(85,362)	33,795
Transfers In:			
Airport Operating	129,369	116,764	(12,605)
Total transfers in	129,369	116,764	(12,605)
Transfers Out:			
Airport Capital Projects	10,212	10,212	–
Total transfers out	10,212	10,212	–
Revenues and transfers over (under) expenditures	\$ –	\$ 21,190	\$ 21,190

FINANCIAL SECTION

Required Supplementary Information, Combining and Individual Fund Statements and Schedules

CITY OF CHARLOTTE, NORTH CAROLINA

AIRPORT FUND

SCHEDULE OF RECONCILIATION OF BUDGETARY (NON-GAAP BASIS)

TO FULL ACCRUAL BASIS

FOR THE YEAR ENDED JUNE 30, 2025

(Dollar Amounts in Thousands)

Revenues and transfers over expenditures and transfers:

Operating Fund	\$ (10,892)
Debt Service Fund	21,190
Lease revenue	787
Capital Projects Fund investment earnings	10,432
Current year encumbrances	15,748
Deferred outflows of resources for pensions	(2,311)
Net pension liability	(2,979)
Deferred inflows of resources for pensions	92
Deferred outflows of resources for OPEB	(627)
Net OPEB asset	729
Deferred inflows of resources for OPEB	442
Bond proceeds	(62,094)
Depreciation	(134,541)
Amortization	(2,339)
Debt principal retirement	95,085
Capital outlay	126
Amortization of deferred charges	(74)
Amortization of premium	(1,434)
Deferred inflows of gain on refundings	(6,516)
Lease rent expense	212
SBITA expense	2,971
Lease interest expense	(20)
SBITA interest expense	(234)
Capital contributions	127,716
Other	(611)
Net transfers to (from) Airport Capital Projects Fund:	
Airport Operating	207,822
Airport Debt Service	10,212
Compensated absences	(1,168)
Change in net position	<u>\$ 267,724</u>

Note: Pursuant to state law, budgets are adopted on an annual basis for Operating and Debt Service Funds. Budgets for Capital Projects Funds are adopted on a project basis.

CITY OF CHARLOTTE, NORTH CAROLINA
AIRPORT CAPITAL PROJECTS FUND
SCHEDULE OF EXPENDITURES COMPARED WITH AUTHORIZATIONS
FOR THE YEAR ENDED JUNE 30, 2025
(Dollar Amounts in Thousands)

	Authorizations	Expenditures			Unexpended Authorizations
		Current Year	Prior Years	Total	
Airfield projects	\$ 1,489,871	\$ 266,018	\$ 871,516	\$ 1,137,534	\$ 352,337
Cargo development projects	9,157	–	9,440	9,440	(283)
General aviation projects	2,708	–	2,688	2,688	20
Terminal building	1,683,812	137,269	1,293,369	1,430,638	253,174
Ground transportation	450,045	19,886	404,484	424,370	25,675
Fueling facilities	32,449	88	30,350	30,438	2,011
Airport service fees (ASF)	331,314	4,079	158,838	162,917	168,397
Land acquisition - non-airfield	205,225	3,311	190,015	193,326	11,899
Included miscellaneous	93,235	13	14,136	14,149	79,086
Excluded miscellaneous	31,435	840	27,496	28,336	3,099
Fixed base operator (FBO)	28,790	2,468	21,422	23,890	4,900
Technology	18,757	326	16,973	17,299	1,458
Total airport capital projects	\$ 4,376,798	\$ 434,298	\$ 3,040,727	\$ 3,475,025	\$ 901,773



FINANCIAL SECTION

Required Supplementary Information, Combining and Individual Fund Statements and Schedules

CITY OF CHARLOTTE, NORTH CAROLINA
PUBLIC TRANSIT OPERATING FUND
SCHEDULE OF REVENUES, EXPENDITURES AND TRANSFERS-
BUDGET AND ACTUAL (NON-GAAP BASIS)
FOR THE YEAR ENDED JUNE 30, 2025
(Dollar Amounts in Thousands)

	Budget	Actual	Variance- Positive (Negative)
Revenues:			
Passenger fares	\$ 18,534	\$ 14,855	\$ (3,679)
Sales tax	165,023	161,999	(3,024)
Intergovernmental	37,066	43,792	6,726
Other	5,897	4,824	(1,073)
Investment earnings	2,500	5,325	2,825
Total revenues	229,020	230,795	1,775
Expenditures:			
Operations and maintenance	218,892	209,782	9,110
Administration	55,876	57,392	(1,516)
Total expenditures	274,768	267,174	7,594
Revenues (under) expenditures	(45,748)	(36,379)	9,369
Transfers In:			
Capital Projects	31,271	32,151	880
Total transfers in	31,271	32,151	880
Transfers Out:			
Public Transit Capital Projects	2,245	2,245	—
Public Transit Debt Service	22,084	19,060	3,024
Public Safety and Other Grants	84	116	(32)
Total transfers out	24,413	21,421	2,992
Revenues and transfers over (under) expenditures and transfers	\$ (38,890)	\$ (25,649)	\$ 13,241



CITY OF CHARLOTTE, NORTH CAROLINA
PUBLIC TRANSIT DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND TRANSFERS-
BUDGET AND ACTUAL (NON-GAAP BASIS)
FOR THE YEAR ENDED JUNE 30, 2025
(Dollar Amounts in Thousands)

	Budget	Actual	Variance- Positive (Negative)
Revenues:			
Grant contributions	\$ 2,928	\$ 2,926	\$ (2)
Investment earnings	–	3,089	3,089
Total revenues	2,928	6,015	3,087
Expenditures:			
Installment purchases-			
Principal retirement	9,820	9,820	–
Interest	8,150	8,111	39
Other	114	8	106
Total expenditures	18,084	17,939	145
Revenues (under) expenditures	(15,156)	(11,924)	3,232
Transfers In:			
Public Transit Operating	22,084	19,061	(3,023)
Public Transit Capital Projects	–	–	–
Public Transit Debt Service	–	2,635	2,635
Total transfers in	22,084	21,696	(388)
Transfers Out:			
Public Transit Operating	–	391	(391)
Public Transit Capital Projects	33,123	35,304	(2,181)
Capital Projects	1,521	1,521	–
Total transfers out	34,644	37,216	(2,572)
Revenues and transfers (under) expenditures and transfers	\$ (27,716)	\$ (27,444)	\$ 272



FINANCIAL SECTION

Required Supplementary Information, Combining and Individual Fund Statements and Schedules

CITY OF CHARLOTTE, NORTH CAROLINA

PUBLIC TRANSIT FUND

SCHEDULE OF RECONCILIATION OF BUDGETARY (NON-GAAP BASIS)

TO FULL ACCRUAL BASIS

FOR THE YEAR ENDED JUNE 30, 2025

(Dollar Amounts in Thousands)

Revenues and transfers over (under) expenditures and transfers:

Operating Fund	\$ (25,649)
Debt Service Fund	(27,444)
Lease revenue	72
Capital Projects Fund investment earnings	2,697
Current year encumbrances	33,171
Deferred outflows of resources for pensions	(107)
Net pension liability	(4,660)
Deferred inflows of resources for pensions	6
Deferred outflows of resources for OPEB	(465)
Net OPEB asset	1,035
Deferred inflows of resources for OPEB	363
Depreciation	(60,757)
Amortization	(725)
Debt principal retirement	9,820
Capital outlay	45
Capital Projects Fund grant contributions	63,711
Amortization of premium	1,524
Deferred inflows of gain on refundings	134
Lease rent expense	79
SBITA expense	444
Lease interest expense	(6)
SBITA interest expense	(20)
Capital contributions	6,518
Other	(17,340)
Net transfers to (from) Public Transit Capital Projects Fund:	
Public Transit Debt Service	35,301
Capital Projects	880
Compensated absences	(802)
Change in net position	<u>\$ 17,825</u>

Note: Pursuant to state law, budgets are adopted on an annual basis for Operating and Debt Service Funds. Budgets for Capital Projects Funds are adopted on a project basis.

CITY OF CHARLOTTE, NORTH CAROLINA
PUBLIC TRANSIT CAPITAL PROJECTS FUND
SCHEDULE OF EXPENDITURES COMPARED WITH AUTHORIZATIONS
FOR THE YEAR ENDED JUNE 30, 2025
(Dollar Amounts in Thousands)

	Authorizations	Expenditures			Unexpended Authorizations
		Current Year	Prior Years	Total	
Public transit corridor development	\$ 1,862,556	\$ 11,162	\$ 1,685,542	\$ 1,696,704	\$ 165,852
Public transit vehicles	400,956	80,041	269,981	350,022	50,934
Public transit facilities	143,750	953	117,736	118,689	25,061
Public transit maintenance & equipment	77,519	3,764	44,158	47,922	29,597
Public transit support	30,551	1,688	21,135	22,823	7,728
CARES Act Urbanized Area Grant	2,497	—	1,267	1,267	1,230
Total public transit capital projects	\$ 2,517,829	\$ 97,608	\$ 2,139,819	\$ 2,237,427	\$ 280,402



INTERNAL SERVICE FUNDS

Internal service funds are used to account for centralized services provided to City departments and other governmental units and agencies on a cost-reimbursement basis.

- Risk Management Fund – Accounts for the general insurance program, claim and loss control services for the City, as well as services provided on a cost-reimbursement basis to other governmental units and agencies in Mecklenburg County.
- Employee Health and Life Fund – Accounts for funds contributed by the City and employees for health and life benefits.
- Fleet Management Fund - Accounts for management and maintenance of commercial vehicles and equipment for the City of Charlotte and Mecklenburg County.



CITY OF CHARLOTTE, NORTH CAROLINA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
June 30, 2025
(Dollar Amounts in Thousands)

	Risk Management	Fleet Management	Employee Health and Life	Total
Assets:				
Current assets:				
Cash, cash equivalents and investments	\$ 88,405	\$ 1	\$ 23,176	\$ 111,582
Receivables - other	1,233	796	90	2,119
Due from other governmental agencies	9	1,349	17	1,375
Prepaid items	—	—	1,008	1,008
Total current assets	89,647	2,146	24,291	116,084
Noncurrent assets:				
Capital assets:				
Buildings	—	85	—	85
Machinery and equipment	60	2,090	—	2,150
Right to use lease assets	37	—	—	37
Right to use SBITA assets	237	192	—	429
Total capital assets	334	2,367	—	2,701
Less accumulated depreciation	60	1,066	—	1,126
Less accumulated right to use lease asset amortization	23	—	—	23
Less accumulated right to use SBITA asset amortization	56	46	—	102
Total capital assets, net	195	1,255	—	1,450
Total assets	89,842	3,401	24,291	117,534
Deferred Outflows Of Resources:				
Pension deferrals	416	2,095	—	2,511
OPEB deferrals	18	65	—	83
Contributions to pension plan in current fiscal year	274	1,377	—	1,651
Total deferred outflows of resources	708	3,537	—	4,245
Liabilities:				
Current liabilities:				
Accounts payable	51	2,043	1,191	3,285
Claims payable	83,020	—	14,979	97,999
Accrued interest payable	4	4	—	8
Current maturities of noncurrent liabilities	213	836	—	1,049
Total current liabilities	83,288	2,883	16,170	102,341
Noncurrent liabilities:				
Due to participants	1,292	—	—	1,292
Compensated absences payable	155	488	—	643
Lease payable	9	—	—	9
SBITA payable	119	84	—	203
Net pension liability	1,338	6,732	—	8,070
Net OPEB liability	281	1,006	—	1,287
Total noncurrent liabilities	3,194	8,310	—	11,504
Total liabilities	86,482	11,193	16,170	113,845
Deferred Inflows Of Resources:				
Pension deferrals	27	134	—	161
OPEB deferrals	87	307	—	394
Total deferred inflows of resources	114	441	—	555
Net Position:				
Net investment in capital assets	1	1,115	—	1,116
Unrestricted	3,953	(5,811)	8,121	6,263
Total net position	\$ 3,954	\$ (4,696)	\$ 8,121	\$ 7,379

FINANCIAL SECTION

Required Supplementary Information, Combining and Individual Fund Statements and Schedules

CITY OF CHARLOTTE, NORTH CAROLINA

INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION

FOR THE YEAR ENDED JUNE 30, 2025

(Dollar Amounts in Thousands)

	Risk Management	Fleet Management	Employee Health and Life	Total
Operating Revenues:				
Charges for services-				
Risk management and safety fees	\$ 4,097	\$ -	\$ 21,497	\$ 25,594
Claims:				
Employer	22,475	-	74,653	97,128
Employee	-	-	9,162	9,162
Other	568	-	32	600
Total claims	23,043	-	83,847	106,890
Premiums	15,239	-	26,268	41,507
Reimbursement from trust	-	-	29,584	29,584
Fleet Maint - Intergovernmental	-	3,483	-	3,483
Fleet Maint - City Depts	-	34,268	-	34,268
Total operating revenues	42,379	37,751	161,196	241,326
Operating Expenses:				
Administration	5,387	19,764	23,914	49,065
Operations and maintenance	-	25,802	-	25,802
Claims	21,310	-	115,952	137,262
Insurance premiums	15,221	-	26,268	41,489
Right to use lease amortization	6	-	-	6
Right to use SBITA amortization	56	46	-	102
Depreciation	-	281	-	281
Total operating expenses	41,980	45,893	166,134	254,007
Operating (loss)	399	(8,142)	(4,938)	(12,681)
Nonoperating Revenues (Expenses):				
Investment earnings	2,819	-	1,098	3,917
Total nonoperating revenues (expenses)	2,819	-	1,098	3,917
Capital Contributions	-	1,390	-	1,390
Transfers in	-	2,056	10,686	12,742
Transfers out	(234)	-	-	(234)
Change in net position	2,984	(4,696)	6,846	5,134
Total net position - beginning, as previously reported	990	-	1,275	2,265
Change in Accounting Principle	(20)	-	-	(20)
Total net position - beginning, restated	970	-	1,275	2,245
Total net position - ending	\$ 3,954	\$ (4,696)	\$ 8,121	\$ 7,379



CITY OF CHARLOTTE, NORTH CAROLINA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2025
(Dollar Amounts in Thousands)

	Risk Management	Fleet Management	Employee Health and Life	Total
Cash Flows From Operating Activities:				
Receipts from participants	\$ 28,594	\$ 2,687	\$ 35,430	\$ 66,711
Payments to suppliers	(4,512)	(29,201)	(23,777)	(57,490)
Internal activity - receipts from other funds	40,028	34,268	96,993	171,289
Receipts from trust	—	—	29,584	29,584
Receipts from recovery of losses	568	—	—	568
Payments to employees	(2,010)	(9,757)	—	(11,767)
Payments for claims	(31,324)	—	(112,445)	(143,769)
Payments for premiums	(23,946)	—	(26,624)	(50,570)
Other receipts (payments)	—	—	32	32
Net cash (used) by operating activities	7,398	(2,003)	(807)	4,588
Cash Flows From Noncapital Financing Activities:				
Transfers	(234)	2,056	10,686	12,508
Cash Flows From Capital and Related Financing Activities:				
Leases	(6)	—	—	(6)
SBITAs	(61)	(56)	—	(117)
Interest and other charges paid on capital debt	4	4	—	8
Net cash (used) by capital and related financing activities	(63)	(52)	—	(115)
Cash Flows From Investing Activities:				
Interest received	4,013	—	1,158	5,171
Net increase (decrease) in cash and cash equivalents	11,114	1	11,037	22,152
Cash, cash equivalents and investments - beginning	77,291	—	12,139	89,430
Cash, cash equivalents and investments - ending	\$ 88,405	\$ 1	\$ 23,176	\$ 111,582
Reconciliation Of Operating (Loss) To Net Cash (Used) By Operating Activities:				
Operating (loss)	\$ 399	\$ (8,142)	\$ (4,938)	\$ (12,681)
Adjustments to reconcile operating (loss) to net cash (used) by operating activities-				
Depreciation	—	281	—	281
Amortization	62	46	—	108
Other receipts	—	—	—	—
Change in assets and liabilities:				
(Increase) in receivables	5,309	(796)	—	4,513
(Increase) decrease in due from other governments	(2)	(1,349)	(6)	(1,357)
(Increase) in due from other funds	—	—	843	843
Decrease in prepaid items	13	—	(10)	3
(Increase) in deferred outflows of resources for pensions	190	(3,472)	—	(3,282)
Decrease in deferred outflows of resources for OPEB	56	(65)	—	(9)
Increase (decrease) in accounts payable	(183)	2,043	(203)	1,657
Increase in claims payable	5,585	—	3,507	9,092
(Decrease) in unearned revenues	(13)	—	—	(13)
(Decrease) in due to participants	(3,515)	—	—	(3,515)
Increase in compensated absences payable	17	1,272	—	1,289
Increase in net pension liability	(118)	6,732	—	6,614
Increase in net OPEB liability	(321)	1,006	—	685
Increase in deferred inflows of resources for pensions	(7)	134	—	127
(Decrease) in deferred inflows of resources for OPEB	(74)	307	—	233
Total adjustments	6,999	6,139	4,131	17,269
Net cash (used) by operating activities	\$ 7,398	\$ (2,003)	\$ (807)	\$ 4,588
Noncash Investing, Capital And Financing Activities:				
Acquisition of capital assets through SBITAs	238	192	—	430
Net noncash investing, capital and financing activities	\$ 238	\$ 192	\$ —	\$ 430



FIDUCIARY FUNDS

These funds account for (a) resources accumulated for the provision of benefit payments to the Charlotte Firefighters' Retirement System members and their beneficiaries, and (b) resources accumulated for the provisions of other postemployment benefit payments for retirees and their beneficiaries.



CITY OF CHARLOTTE, NORTH CAROLINA
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
June 30, 2025
(Dollar Amounts in Thousands)

	Firefighters' Retirement Pension Trust	Employee Benefit- Other Employee Benefit Trust	Total
Assets:			
Cash, cash equivalents and investments	\$ 7,234	\$ 1,331	\$ 8,565
Receivables:			
Employer contributions	758	—	758
Member contributions	327	—	327
Interest and dividends	993	—	993
Insurance recovery	64	—	64
Total receivables	2,142	—	2,142
Prepaid items	5	—	5
Investments:			
Equity securities - stocks	84,888	—	84,888
Fixed income securities - bonds	156,525	—	156,525
Mutual funds	462,498	179,056	641,554
Total investments	703,911	179,056	882,967
Capital assets	672	—	672
Less accumulated depreciation	632	—	632
Total capital assets, net	40	—	40
Total assets	713,332	180,387	893,719
Liabilities:			
Accounts payable	1,007	37	1,044
Total liabilities	1,007	37	1,044
Net Position:			
Restricted for pensions	<u>\$ 712,325</u>		712,325
Restricted for OPEB		<u>\$ 180,350</u>	180,350
			<u>\$ 892,675</u>



FINANCIAL SECTION

Required Supplementary Information, Combining and Individual Fund Statements and Schedules

CITY OF CHARLOTTE, NORTH CAROLINA

FIDUCIARY FUNDS

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

FOR THE YEAR ENDED JUNE 30, 2025

(Dollar Amounts in Thousands)

	Firefighters' Retirement Pension Trust	Employee Benefit- Other Employee Benefit Trust	Total
Additions:			
Contributions-			
Member	\$ 14,539	\$ -	\$ 14,539
Employer	28,307	10,527	38,834
Total contributions	42,846	10,527	53,373
Investment income -			
Net appreciation in fair value of investments	68,551	23,025	91,576
Interest	5,856	673	6,529
Dividends	4,081	-	4,081
Total investment income	78,488	23,698	102,186
Investment expense	2,836	288	3,124
Net investment income	75,652	23,410	99,062
Insurance recovery	50	-	50
Total additions	118,548	33,937	152,485
Deductions:			
Benefits	51,009	10,301	61,310
Refunds	838	-	838
Insurance premiums	-	6,831	6,831
Administration	919	2,417	3,336
Depreciation	17	-	17
Total deductions	52,783	19,549	72,332
Change in net position	65,765	14,388	80,153
Net position - beginning	646,560	165,962	812,522
Net position - ending	\$ 712,325	\$ 180,350	\$ 892,675





Statistical Section

Annual Comprehensive Financial Report 2025

STATISTICAL SECTION

This part of the City of Charlotte’s annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government’s overall financial health.

Financial Trends 190
These schedules contain trend information to help the reader understand how the government’s financial performance and well-being have changed over time

Revenue Capacity 196
These schedules contain information to help the reader assess the government’s most significant local revenue source, the property tax

Debt Capacity 202
These schedules present information to help the reader assess the affordability of the government’s current levels of outstanding debt and the government’s ability to issue additional debt in the future

Demographic and Economic Information 210
These schedules offer demographic and economic indicators to help the reader understand the environment within which the government’s financial activities take place

Operating Information 212
These schedules contain service and infrastructure data to help the reader understand how the information in the government’s financial report relates to the services the government provides and the activities it performs

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.

STATISTICAL SECTION

CITY OF CHARLOTTE, NORTH CAROLINA
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Dollar Amounts In Thousands)
(accrual basis of accounting)

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Governmental activities										
Net investment in capital assets	\$ 4,563,879	\$ 4,690,751	4,814,247	\$ 5,057,912	\$ 5,117,695	\$ 5,223,083	\$ 5,076,927	\$ 5,145,375	\$ 5,335,011	\$ 5,440,223
Restricted ⁽⁴⁾	356,435	324,070	324,406	327,369	306,143	292,842	321,693	384,759	447,534	526,180
Unrestricted ^{(2) (4)}	428,719	345,073	(165,257)	(209,226)	(214,378)	(375,386)	(206,187)	(200,311)	(210,997)	(275,749)
Total governmental activities net position	5,349,033	5,359,894	4,973,396	5,176,055	5,209,460	5,140,539	5,192,433	5,329,823	5,571,548	5,690,654
Business-type activities										
Net investment in capital assets ⁽³⁾	3,676,609	3,924,620	4,153,959	4,514,469	4,726,781	5,234,775	5,871,041	6,301,275	6,250,848	6,715,285
Restricted ⁽¹⁾	443,384	345,499	364,684	383,929	388,227	416,684	459,015	482,657	482,611	431,419
Unrestricted	957,704	1,389,110	1,380,816	1,319,590	1,328,048	1,125,787	957,019	941,879	1,554,775	1,671,766
Total business-type activities net position	5,077,697	5,659,229	5,899,459	6,217,988	6,443,056	6,777,246	7,287,075	7,725,811	8,288,234	8,818,470
Primary government										
Net investment in capital assets	8,240,488	8,615,371	8,968,206	9,572,381	9,844,476	10,457,858	10,947,968	11,446,650	11,585,859	12,155,508
Restricted	799,819	669,569	689,090	711,298	694,370	709,526	780,708	867,416	930,145	957,599
Unrestricted	1,386,423	1,734,183	1,215,559	1,110,364	1,113,670	750,401	750,832	741,568	1,343,778	1,396,017
Total primary government net position	\$ 10,426,730	\$ 11,019,123	\$ 10,872,855	\$ 11,394,043	\$ 11,652,516	\$ 11,917,785	\$ 12,479,508	\$ 13,055,634	\$ 13,859,782	\$ 14,509,124

⁽¹⁾ 2017 reflects use of passenger facility charges for Airport projects.

⁽²⁾ 2018 reflects the City's implementation of GASB Statement 75, Accounting and Financial Reporting for Postemployment Benefit Plans Other Than Pensions.

⁽³⁾ 2021 has been restated for the effects of estimated lives were not in compliance within the City's Capital Asset Policy.

⁽⁴⁾ 2021, 2022, and 2023 restated to remove accrued revenue related to FEMA grants.





STATISTICAL SECTION

CITY OF CHARLOTTE, NORTH CAROLINA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Dollar Amounts In Thousands)
(accrual basis of accounting)

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Expenses										
Governmental activities:										
Public safety ⁽¹⁾	\$ 374,328	\$ 432,355	\$ 450,771	\$ 439,381	\$ 542,109	\$ 591,536	\$ 500,627	\$ 577,242	\$ 632,884	\$ 648,681
Sanitation	55,717	59,011	63,956	66,888	73,879	78,589	73,793	83,856	88,708	102,567
General administration	58,256	44,998	53,366	56,604	70,743	81,680	57,872	68,980	60,968	51,899
Support services	31,210	36,894	41,625	34,573	51,432	55,722	54,953	56,383	93,304	95,922
Engineering and property management	52,044	38,831	52,342	44,253	49,469	54,293	35,708	37,133	51,203	40,350
Streets and highways ⁽³⁾	174,912	48,548	51,839	21,958	63,178	96,805	69,372	78,546	157,860	374,980
Culture and recreation	45,158	44,830	56,956	43,902	51,642	59,311	55,606	75,074	66,543	73,963
Community planning and development	75,889	71,844	82,197	81,270	88,837	193,394	124,455	120,274	110,566	89,406
Business-type grant related	-	-	-	-	931	842	3,369	-	-	-
Interest and other charges	57,498	53,220	50,059	51,559	58,439	48,443	43,466	44,779	57,536	54,252
Total governmental activities expenses	925,012	830,531	903,111	840,388	1,050,659	1,260,615	1,019,221	1,142,267	1,319,572	1,532,020
Business-type activities:										
Water	143,992	142,697	148,429	157,345	180,167	170,468	237,265	234,800	243,425	265,078
Sewer	163,565	165,039	175,447	183,496	188,000	178,774	240,409	248,538	253,718	285,692
Storm water	16,614	17,517	24,664	25,448	29,578	37,433	41,206	48,956	55,368	62,682
Airport ^{(5) (9)}	205,860	234,432	261,333	289,791	311,166	299,652	367,439	423,806	504,765	546,673
Public transit ⁽⁵⁾	173,243	177,312	219,192	263,871	266,955	265,234	248,945	274,792	288,788	316,054
Total business-type activities expenses	703,274	736,997	829,065	919,951	975,866	951,561	1,135,264	1,230,892	1,346,064	1,476,179
Total primary government expenses	\$ 1,628,286	\$ 1,567,528	\$ 1,732,176	\$ 1,760,339	\$ 2,026,525	\$ 2,212,176	\$ 2,154,485	\$ 2,373,159	\$ 2,665,636	\$ 3,008,199
Program Revenues										
Governmental activities:										
Fees, fines, and charges for services:										
Public safety	\$ 38,772	\$ 40,271	\$ 43,696	\$ 42,804	\$ 44,960	\$ 42,619	\$ 49,056	\$ 54,301	\$ 57,579	\$ 64,618
Sanitation	8,824	11,156	13,773	16,247	20,937	24,756	27,878	32,046	35,312	39,576
General administration	2,913	2,033	2,156	2,154	2,020	3,699	2,830	4,409	4,837	4,328
Community planning and development	4,859	3,767	5,389	8,016	9,158	9,906	11,401	20,920	13,732	17,389
Other activities	59,761	60,216	60,022	57,452	56,480	60,435	68,072	56,895	73,574	75,544
Operating grants and contributions ⁽¹⁾	51,192	50,295	56,547	58,886	72,757	214,437	99,856	81,347	66,583	78,605
Capital grants and contributions	20,810	19,304	20,601	36,716	62,382	26,623	37,969	33,750	244,244	256,236
Total governmental activities program revenues	187,131	187,042	202,184	222,275	268,694	382,475	297,062	283,668	495,861	536,296
Business-type activities:										
Fees, fines, and charges for services:										
Water ⁽⁷⁾	166,043	171,798	171,796	181,823	173,923	177,114	193,947	215,157	223,755	243,468
Sewer	211,084	230,511	235,548	242,504	264,182	281,555	305,192	325,379	347,738	373,055
Storm water	70,042	70,496	71,985	73,082	74,322	82,043	84,617	100,257	92,058	88,825
Airport ⁽⁷⁾	277,891	289,450	313,113	344,049	292,022	224,505	390,711	432,780	522,993	615,149
Public transit ⁽⁷⁾	32,404	31,823	29,585	27,685	21,268	11,410	13,036	15,548	19,711	14,927
Operating grants and contributions	10,945	12,053	33,953	30,854	35,081	164,894	120,362	107,258	144,289	114,412
Capital grants and contributions ⁽⁶⁾	241,970	381,724	114,107	142,122	160,729	202,611	226,531	228,525	270,095	269,148
Total business-type activities program revenues	1,010,379	1,187,855	970,087	1,042,119	1,021,527	1,144,132	1,334,396	1,424,904	1,620,639	1,718,984
Total primary government program revenues	\$ 1,197,510	\$ 1,374,897	\$ 1,172,271	\$ 1,264,394	\$ 1,290,221	\$ 1,526,607	\$ 1,631,458	\$ 1,708,572	\$ 2,116,500	\$ 2,255,280

STATISTICAL SECTION

CITY OF CHARLOTTE, NORTH CAROLINA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Dollar Amounts In Thousands)
(accrual basis of accounting)

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Net (Expense)/Revenue										
Governmental activities	\$ (737,881)	\$ (643,489)	\$ (700,927)	\$ (618,113)	\$ (781,965)	\$ (878,140)	\$ (722,159)	\$ (858,599)	\$ (823,711)	\$ (995,724)
Business-type activities	307,105	450,858	141,022	122,168	45,661	192,571	199,132	194,012	274,575	242,805
Total primary governmental net expense	\$ (430,776)	\$ (192,631)	\$ (559,905)	\$ (495,945)	\$ (736,304)	\$ (685,569)	\$ (523,027)	\$ (664,587)	\$ (549,136)	\$ (752,919)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes-										
Property	\$ 452,209	\$ 454,908	\$ 467,815	\$ 490,890	\$ 507,167	\$ 523,285	\$ 531,207	\$ 553,022	\$ 585,563	\$ 637,370
Utility franchise	53,545	52,627	52,933	54,338	51,661	51,958	51,905	54,548	64,594	63,917
Occupancy ⁽⁷⁾	49,079	51,917	56,398	59,680	44,737	29,260	58,548	75,071	77,970	84,783
Prepared foods ⁽⁷⁾	30,026	31,509	33,632	35,512	31,650	32,174	42,646	49,596	51,866	53,334
Business privilege ⁽⁴⁾	283	29	23	17	11	10	12	11	11	8
Municipal vehicle	17,068	18,280	18,060	18,092	18,120	19,044	18,381	18,894	19,208	19,576
Intergovernmental unrestricted - sales tax ⁽¹⁰⁾	114,192	118,385	128,402	135,068	139,507	153,368	182,939	199,853	203,843	207,840
Grants and contributions not restricted to specific programs	23,383	24,952	26,222	27,519	24,820	22,988	33,801	34,776	38,302	36,776
Investment earnings	4,670	5,150	11,884	20,091	21,307	(1,122)	(5,473)	31,580	55,629	48,670
Miscellaneous	7,012	475	9,168	2,754	18	(477)	1,353	7,117	(703)	1,255
Special items ⁽²⁾	-	-	-	-	-	-	-	-	-	-
Gain on early defeasance of debt	-	-	-	-	-	4,189	-	-	-	-
Transfers ⁽⁸⁾	(21,609)	(25,402)	(22,920)	(23,189)	(23,628)	(25,458)	(160,625)	(28,479)	(25,007)	(27,315)
Total governmental activities	729,858	732,830	781,617	820,772	815,370	809,219	754,694	995,989	1,071,276	1,126,214
Business-type activities:										
Sales taxes levied for Public transit	89,617	92,601	103,022	107,535	107,779	116,669	139,226	154,638	155,805	161,999
Investment earnings	7,065	7,830	23,412	48,690	38,024	(3,236)	(16,741)	67,469	102,634	102,138
Miscellaneous	(7,091)	4,841	3,372	9,920	9,976	2,728	4,389	(5,862)	4,402	1,418
Transfers ⁽⁸⁾	21,609	25,402	22,920	23,189	23,628	25,458	160,625	28,479	25,007	27,315
Total business-type activities	111,200	130,674	152,726	189,334	179,407	141,619	287,499	244,724	287,848	292,870
Total primary government	\$ 841,058	\$ 863,504	\$ 934,343	\$ 1,010,106	\$ 994,777	\$ 950,838	\$ 1,042,193	\$ 1,240,713	\$ 1,359,124	\$ 1,419,084
Change in Net Position										
Governmental activities	\$ (8,023)	\$ 89,341	\$ 80,690	\$ 202,659	\$ 33,405	\$ (68,921)	\$ 32,535	\$ 137,390	\$ 247,565	\$ 130,490
Business-type activities	418,305	581,532	293,748	311,502	225,068	334,190	486,631	438,736	562,423	535,675
Total primary government	\$ 410,282	\$ 670,873	\$ 374,438	\$ 514,161	\$ 258,473	\$ 265,269	\$ 519,166	\$ 576,126	\$ 809,988	\$ 666,165

Notes:

⁽¹⁾ In 2017, the City added 106 public safety positions. In 2020, the City hosted the Republican National Convention, funded by a Federal grant. In 2020 and 2021, COVID-19 was declared a world-wide pandemic and impacted operations. 2021, 2022, and 2023 restated to remove accrued revenue related to FEMA grants.

⁽²⁾ In 2015, a discounted payoff was accepted in full satisfaction of a portion of private loan.

⁽³⁾ In 2017 and 2019, expenses decreased due to increased capitalization of streets and right-of-ways maintained by the City. In 2022 the City identified capital assets where estimated lives were not in compliance with the City's Capital Asset Policy which went into effect October 1, 2020.

⁽⁴⁾ In 2016, the Business Privilege License Tax ended.

⁽⁵⁾ In 2018, Public Transit blue line light rail extension to the University area went into operation and the Airport expanded Concourse A.

⁽⁶⁾ In 2017, Public Transit grant reimbursements were received for blue line light rail extension that went into operations in 2018.

⁽⁷⁾ In 2020 and 2021, COVID-19 was declared a world-wide pandemic and impacted revenue streams.

⁽⁸⁾ In 2022, transfers are related to Goldline that was put in production in August of 2021.

⁽⁹⁾ In 2023, an increase in operating and maintenance expenses related to airport expansion.

⁽¹⁰⁾ In 2024, sales tax revenues previously reported as taxes were reclassified as intergovernmental.



STATISTICAL SECTION

CITY OF CHARLOTTE, NORTH CAROLINA
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Dollar Amounts In Thousands)
(modified accrual basis of accounting)

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General fund										
Nonspendable:										
Inventories ⁽²⁾	\$ 1,426	\$ 1,218	\$ 1,385	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Leases	-	-	-	-	-	-	181	1,048	1,857	889
Long-term notes receivable	13	28	9	-	-	-	-	8,000	16,000	8,000
Restricted - State statute	62,967	65,499	73,510	70,411	61,457	68,577	73,364	78,939	77,667	79,116
Prepaid items	-	-	-	-	37	13	18	25	52	187
Committed:										
Capital projects	21,795	2,751	5,540	7,624	14,258	7,048	13,353	15,735	27,748	11
Component unit ⁽⁴⁾	3,215	3,441	3,765	4,297	3,205	1,261	-	-	-	-
Assigned:										
Capital projects	-	-	-	-	-	-	-	-	-	-
Public safety	-	463	-	-	-	-	-	-	-	-
Community planning and development	-	-	-	-	-	-	-	-	-	-
Unassigned	101,590	107,014	111,102	116,428	115,010	120,115	125,568	133,377	121,583	150,960
Total general fund	\$ 191,006	\$ 180,414	\$ 195,311	\$ 198,760	\$ 193,967	\$ 197,014	\$ 212,484	\$ 237,124	\$ 244,907	\$ 239,163
All other governmental funds										
Nonspendable:										
Perpetual care	\$ 3,111	\$ 3,111	\$ 3,111	\$ 3,111	\$ 3,132	\$ 3,149	\$ 3,222	\$ 3,350	\$ 3,490	\$ 3,581
Inventories ⁽⁵⁾	-	130	112	96	81	71	1,889	1,748	1,502	1,429
Leases ⁽⁶⁾	-	-	-	-	-	-	(1)	-	-	-
Prepaid items	-	119	501	418	318	82	304	962	-	10,097
Long-term notes receivable ⁽⁷⁾	87,498	-	-	-	-	-	-	-	-	-
Restricted:										
State statute	5,732	5,776	6,342	6,903	12,791	18,525	20,108	20,552	18,569	19,060
Special obligation debt service	6,215	5,100	-	-	-	-	-	-	-	-
Public safety ⁽⁸⁾	3,282	13,989	13,590	13,716	9,671	13,629	18,109	26,560	27,826	48,213
Streets and highways	10,809	7,923	7,541	8,787	10,301	4,839	4,895	6,051	9,167	4,066
Culture and recreation	167,391	183,899	185,310	189,915	176,155	149,629	171,154	199,524	263,687	321,209
Community planning and development	7,507	38,773	35,002	34,526	32,636	34,494	30,841	49,783	47,128	50,935
Capital projects	-	-	-	-	-	-	-	-	-	56,815
Committed:										
Capital projects	238,041	255,898	242,615	381,714	378,413	212,021	361,888	373,633	532,037	379,428
Debt service ⁽³⁾	34,510	45,016	68,130	86,000	96,921	98,234	91,781	87,790	92,864	95,625
Assigned:										
Debt service	239,681	218,640	191,069	173,311	99,468	66,674	90,120	109,889	78,968	58,598
Unassigned ^{(1) (8)}	-	-	-	-	-	(5,341)	(5,458)	(5,645)	(3,576)	(3,530)
Total all other governmental funds	\$ 803,777	\$ 778,374	\$ 753,323	\$ 898,497	\$ 819,887	\$ 596,006	\$ 788,852	\$ 874,197	\$ 1,071,662	\$ 1,045,526

⁽¹⁾ In 2015, 2022 and 2023 Municipal Services Districts had a deficit fund balance due to property tax revenues less than anticipated. 2021, 2022, and 2023 restated to remove accrued revenue related to FEMA grants.

⁽²⁾ In 2019, support services spare parts inventory was sold to a private vendor.

⁽³⁾ In 2015, debt services advanced funds for various capital projects. This continued for other capital projects that will be repaid over five years.

⁽⁴⁾ In 2022, committed for component unit was transferred to special revenue fund.

⁽⁵⁾ In 2022, inventories increased as a result of CATS purchasing rail cars replacement parts

⁽⁶⁾ In 2022, implementation of GASB 87, Leases.

⁽⁷⁾ In 2023, Long Term Notes Receivable represents long term amount of mortgage loan.

⁽⁸⁾ 2021, 2022, and 2023 restated to remove accrued revenue related to FEMA grants.

STATISTICAL SECTION

CITY OF CHARLOTTE, NORTH CAROLINA
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(In Thousands)
(modified accrual basis of accounting)

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenues:										
Property taxes	\$ 451,563	\$ 456,176	\$ 467,717	\$ 492,051	\$ 505,521	\$ 523,184	\$ 533,544	\$ 553,217	\$ 585,348	\$ 636,714
Other taxes ⁽¹⁾	208,513	217,719	235,000	247,814	229,989	227,939	303,877	345,636	153,301	162,414
Intergovernmental ⁽¹⁾	166,463	163,711	172,575	188,832	222,470	325,948	232,651	216,051	411,005	440,411
Licenses, fees and fines	43,363	46,287	50,347	49,097	53,165	58,322	59,902	66,386	73,670	83,089
Investment earnings	3,745	3,815	8,373	21,635	20,479	1,277	(6,169)	23,850	47,308	45,734
Private contributions	4,039	1,671	3,612	2,371	3,475	2,945	2,915	11,263	6,896	6,716
Administrative charges	34,793	37,031	39,589	44,716	46,858	51,455	57,971	57,006	66,223	73,968
Charges for current services	7,234	8,670	8,126	9,832	12,052	12,730	14,335	16,639	14,667	16,240
Miscellaneous	10,051	10,458	11,782	9,252	8,194	10,467	12,903	8,460	5,300	5,319
Total revenues	929,764	945,538	997,121	1,065,600	1,102,203	1,214,267	1,211,929	1,298,508	1,363,718	1,470,605
Expenditures:										
Public safety ⁽¹⁾	359,187	382,427	391,301	420,234	448,196	471,984	470,984	519,780	531,824	584,239
Sanitation	52,265	55,610	59,179	64,032	67,322	75,953	69,794	77,859	82,681	90,379
General administration	40,294	42,078	47,143	51,977	55,009	73,772	62,839	66,982	67,370	64,855
Support services	29,728	31,823	31,885	29,250	41,703	49,882	53,273	61,752	56,492	61,187
Engineering and property management	20,973	22,095	21,927	23,558	25,236	36,491	22,441	25,657	25,456	21,870
Streets and highways	62,924	65,102	62,376	58,831	59,927	61,148	53,051	59,248	63,769	65,203
Culture and recreation ⁽²⁾	27,312	29,835	38,743	31,559	35,425	39,273	35,362	51,362	46,784	50,529
Community planning and development ⁽¹⁾	49,813	46,119	46,868	53,238	63,857	160,650	109,745	95,167	102,737	111,463
Business-type grant funded	—	—	—	—	931	842	3,369	1,969	272	—
Debt service-										
Principal ⁽³⁾	112,033	97,190	116,416	121,309	110,124	139,069	252,310	122,920	329,164	147,063
Interest and other charges	66,557	60,790	60,238	61,918	65,934	61,155	56,504	57,844	65,664	72,732
Capital outlay	154,320	166,087	175,209	234,489	313,296	311,207	199,733	192,407	260,751	495,735
Total expenditures	975,406	999,156	1,051,285	1,150,395	1,286,960	1,481,426	1,389,405	1,332,947	1,632,964	1,765,255
(Deficiency) of revenues (under) expenditures	(45,642)	(53,618)	(54,164)	(84,795)	(184,757)	(267,159)	(177,476)	(34,439)	(269,246)	(294,650)

Continued on next page





STATISTICAL SECTION

CITY OF CHARLOTTE, NORTH CAROLINA
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS (Continued)
LAST TEN FISCAL YEARS
(In Thousands)
(modified accrual basis of accounting)

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Other financing sources (uses):										
Sales of capital assets ⁽⁴⁾	34,027	6,238	2,518	3,112	1,275	1,714	1,551	4,735	1,835	1,774
Bonds issued	–	34,503	57,062	58,435	121,568	70,027	103,943	94,299	149,893	80,099
Commercial paper issued	66,213	1,677	–	–	–	–	–	–	–	–
Installment purchases issued	23,685	–	–	170,205	–	–	107,600	–	99,724	191,789
Lease liabilities issued ⁽⁵⁾	–	–	–	–	–	–	13,978	9,479	1,760	1,008
SBITA liabilities issued ^{(5) (6)}	–	–	–	–	–	–	–	61,959	36,985	27,445
Refunding debt issued	33,010	116,230	–	150,905	314,330	–	133,035	–	321,275	59,995
Premium on debt issuance	5,906	19,377	–	49,086	36,683	–	33,291	–	34,304	6,236
Payment to refunded bond escrow agent	(38,650)	(135,000)	–	(175,155)	(348,762)	–	–	–	(140,690)	(65,753)
Transfers in	186,997	191,445	175,007	175,167	254,381	225,861	164,155	174,054	210,104	266,575
Transfers out	(208,606)	(216,847)	(190,577)	(198,337)	(278,121)	(251,277)	(191,120)	(200,102)	(240,696)	(306,398)
Total other financing sources (uses)	102,582	17,623	44,010	233,418	101,354	46,325	366,433	144,424	474,494	262,770
Net change in fund balances	<u>\$ 56,940</u>	<u>\$ (35,995)</u>	<u>\$ (10,154)</u>	<u>\$ 148,623</u>	<u>\$ (83,403)</u>	<u>\$ (220,834)</u>	<u>\$ 188,957</u>	<u>\$ 109,985</u>	<u>\$ 205,248</u>	<u>\$ (31,880)</u>
Debt service as a percentage of noncapital expenditures	19.4%	18.0%	18.2%	18.9%	17.3%	15.9%	25.4%	16.0%	27.9%	74.8%

⁽¹⁾ The City hosted the Republican National Convention in August 2020, funded by a Federal Grant. In 2020 and 2021, COVID-19 was declared a world-wide pandemic and impacted operations. 2021, 2022, and 2023 restated to remove accrued revenue related to FEMA grants.

⁽²⁾ In 2018, Federal Court House was sold and design fees for Convention Center renovations were incurred.

⁽³⁾ In 2016, the Hall of Fame private loan was paid. In 2022, debt service includes redemption of a BAN.

⁽⁴⁾ In 2016, land was sold to pay off Hall of Fame private loan.

⁽⁵⁾ In 2022, implementation of GASB 87, Leases. In 2023, implementation of GASB 96, SBITAs.

⁽⁶⁾ In 2023, implementation of GASB 96, SBITAs

STATISTICAL SECTION

CITY OF CHARLOTTE, NORTH CAROLINA
ASSESSED AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

Fiscal Year	Assessed Value				Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
	Real Property		Personal Property				
	Residential Property	Commercial Property	Motor Vehicles	Other			
2016	\$ 44,813,098	\$ 32,220,420	\$ 6,550,784	\$ 7,909,799	\$ 294,003	\$ 91,200,098	\$ 0.4787
2017	44,848,147	33,778,317	7,016,818	8,057,175	292,117	93,408,340	0.4787
2018	45,442,308	35,137,507	7,199,466	8,404,556	306,676	95,877,161	0.4787
2019	45,888,331	36,330,136	7,351,494	8,912,989	309,697	98,173,253	0.4887
2020	66,952,245	60,265,814	7,822,734	9,286,431	505,388	143,821,836	0.3481
2021	68,153,511	60,893,099	7,938,342	10,145,479	505,911	146,624,520	0.3481
2022	69,063,725	62,614,209	8,794,591	10,630,450	504,505	150,598,470	0.3481
2023	69,732,800	65,023,207	9,370,591	11,226,594	932,309	154,420,883	0.3481
2024	107,488,654	91,023,639	10,228,237	11,945,032	989,243	219,696,319	0.2604
2025	108,999,038	93,623,432	11,062,973	12,183,861	1,037,529	224,831,775	0.2741

Source: Assessed value data provided by Mecklenburg County. Assessed value is 100% of appraised market value as of the last revaluation date.



STATISTICAL SECTION

CITY OF CHARLOTTE, NORTH CAROLINA
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(rate per \$100 of assessed value)

Fiscal Year	City Direct Rates					Overlapping Rates							Mecklenburg County
	General	Debt Service	Capital Projects	Total Direct	Municipal Service Districts								
					District 1	District 2	District 3	District 4	District 5	District 6 ⁽¹⁾			
2016	\$ 0.3741	\$ 0.0926	\$ 0.0120	\$ 0.4787	\$ 0.0168	\$ 0.0233	\$ 0.0358	\$ 0.0668	\$ 0.0279	\$ –	\$ 0.8157		
2017	0.3741	0.0926	0.0120	0.4787	0.0168	0.0233	0.0358	0.0668	0.0279	–	0.8157		
2018	0.3741	0.0926	0.0120	0.4787	0.0168	0.0233	0.0358	0.0668	0.0279	–	0.8157		
2019	0.3816	0.0951	0.0120	0.4887	0.0208	0.0293	0.0418	0.0668	0.0279	–	0.8232		
2020	0.2731	0.0677	0.0073	0.3481	0.0136	0.0227	0.0338	0.0390	0.0279	–	0.6169		
2021	0.2731	0.0677	0.0073	0.3481	0.0136	0.0227	0.0338	0.0390	0.0279	–	0.6169		
2022	0.2731	0.0677	0.0073	0.3481	0.0136	0.0227	0.0338	0.0390	0.0279	–	0.6169		
2023	0.2731	0.0677	0.0073	0.3481	0.0136	0.0227	0.0338	0.0390	0.0279	0.0400	0.4731		
2024	0.2061	0.0506	0.0037	0.2604	0.0128	0.0218	0.0332	0.0280	0.0262	0.0381	0.4831		
2025	0.2096	0.0551	0.0094	0.2741	0.0128	0.0218	0.0332	0.0280	0.0262	0.0381	0.4927		

⁽¹⁾ District 6 was established in 2023.

STATISTICAL SECTION

CITY OF CHARLOTTE, NORTH CAROLINA
PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND NINE YEARS AGO
(Dollar Amounts In Thousands)

Taxpayer	2025			2016		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Duke Energy Corporation	\$ 2,107	1	0.94%	\$ 1,173	4	1.29%
Bank of America	1,706	2	0.76	1,179	3	1.29
Wells Fargo	1,541	3	0.69	1,604	1	1.76
American Airlines/US Airways Group, Incorporated	897	4	0.40	1,319	2	1.45
Truist	785	5	0.35	—		—
Spectrum	440	6	0.20	379	6	0.42
Southpark Mall	340	9	0.15	330	7	0.36
Piedmont Natural Gas	427	7	0.19	213	9	0.23
Panthers Stadium	340	8	0.20	—		—
AT&T/BellSouth, Incorporated	232	10	0.18	385	5	0.42
TIAA-Cref, LLC	—		—	275	8	0.30
Parkway Properties	—		—	210	10	0.23
Total	\$ 8,815		4.06%	\$ 7,067		7.75%

Source: Mecklenburg County.



STATISTICAL SECTION

CITY OF CHARLOTTE, NORTH CAROLINA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(Dollar Amounts In Thousands)

Fiscal Year ⁽¹⁾	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2016	\$ 422,527	\$ 420,153	99.44%	\$ 9,170	\$ 429,323	100.00%
2017	422,768	419,751	99.29	9,360	429,111	100.00
2018	432,044	429,926	99.51	9,457	439,383	100.00
2019	453,300	451,005	99.49	10,763	461,768	100.00
2020	479,035	473,689	98.88	8,605	482,294	100.00
2021	493,616	489,541	99.17	7,339	496,880	100.00
2022	503,981	501,228	99.45	1,197	502,425	99.69
2023	519,345	516,795	99.51	1,222	518,017	99.74
2024	555,923	552,868	99.45	–	552,868	99.45
2025	604,111	601,112	99.50	–	601,112	99.50

Source: Mecklenburg County.

⁽¹⁾ Pursuant to the North Carolina General Statutes, property taxes levied on July 1, the beginning of the fiscal year, are due September 1; however, penalties do not accrue until January 6. For example, the taxes levied effective July 1, 2024, for the fiscal year 2025, were based on the assessed values listed as of January 1, 2024.

STATISTICAL SECTION

CITY OF CHARLOTTE, NORTH CAROLINA
ANALYSIS OF CURRENT TAX LEVY
CITY-WIDE LEVY
FOR THE YEAR ENDED JUNE 30, 2025
(Dollar Amounts In Thousands)

	City - Wide			Total Levy	
	Property Valuation ⁽²⁾	Rate	Total Levy ⁽¹⁾	Property excluding Registered Motor Vehicles	Registered Motor Vehicles
Original Levy:					
Property taxed at current year's rate	\$ 214,561,712	0.2741	\$ 607,693	\$ 588,114	\$ 19,579
Discoveries - current and prior years	1,561,293		—	—	—
Total property valuation	<u>\$ 216,123,005</u>		<u>607,693</u>	<u>588,114</u>	<u>19,579</u>
Net Levy			593,715	574,136	19,579
Unpaid (by taxpayer) taxes at June 30, 2025			(2,966)	(2,966)	—
Current year's taxes collected			<u>\$ 590,749</u>	<u>\$ 571,170</u>	<u>\$ 19,579</u>
Current levy collection percentage			<u>99.50%</u>	<u>99.48%</u>	<u>100.00%</u>

⁽¹⁾ Total levy includes only those taxes levied on a unit-wide basis and therefore, does not include the Municipal Services Districts.

⁽²⁾ Property valuation amounts are only for property and does not include registered motor vehicles.



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STATISTICAL SECTION

CITY OF CHARLOTTE, NORTH CAROLINA
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(Dollar Amounts in Thousands, except Per Capita)

Fiscal Year	General Bonded Debt				Other Governmental Activities Debt								
	Governmental Activities General Obligation Bonds	Business-Type Activities General Obligation Bonds	Percentage of Actual Taxable Value of Property ⁽¹⁾	Per Capita ⁽²⁾	Special Obligation Bonds	Installment Purchases	Installment Purchases	Direct Placement			Direct Borrowin		
								Installment Purchases Draw Program	Construction Period Notes	Private Loan	Section 108	Leases ⁽⁴⁾	SBITAs ⁽⁵⁾
2016	\$ 647,449	\$ 145,373	0.87%	\$ 959	\$ 6,215	\$ 767,855	\$ –	\$ –	\$ 133,323	\$ –	\$ 7,538	\$ –	\$ –
2017	737,220	114,415	0.87	995	5,100	708,206	–	–	34,503	–	5,780	–	–
2018	685,147	85,211	0.80	880	–	639,406	–	–	91,565	–	4,368	–	–
2019	630,710	58,470	0.70	750	–	756,697	–	–	150,000	–	4,368	–	–
2020	753,491	33,590	0.57	875	–	690,282	–	–	66,568	–	2,780	–	–
2021	694,206	15,931	0.48	741	–	597,786	–	–	136,595	–	2,780	–	–
2022	780,119	8,360	0.52	805	–	675,819	–	–	90,538	–	–	11,785	–
2023	711,758	1,706	0.46	713	–	627,328	–	–	184,837	–	–	18,837	48,078
2024	912,585	–	0.42	887	–	694,995	–	9,424	59,730	–	–	17,604	53,867
2025	820,677	–	0.37	767	–	655,113	91,213	110,000	139,829	–	–	16,354	32,208

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STATISTICAL SECTION

Fiscal Year	Other Business-Type Activities Debt										Percentage of Personal Income ⁽²⁾⁽³⁾	Per Capita ⁽²⁾
	Revenue Bonds	Direct Placement		Other Financing Agreements	Direct Borrowing		Leases ⁽⁴⁾	SBITAs ⁽⁵⁾	Total Primary Government			
		Installment Purchases	Revenue Bond Anticipation Notes		Revolving Loans	TIFIA Loan						
2016	\$ 2,296,876	\$ 275,258	\$ 83,739	\$ 2,130	\$ 1,043	\$ 88,353	\$ –	\$ –	\$ 4,455,152	11.20%	\$ 5,386	
2017	2,416,258	380,699	67,895	1,320	3,730	137,685	–	–	4,612,811	10.71	5,388	
2018	2,524,153	371,318	52,405	675	3,438	180,000	–	–	4,637,686	10.14	5,298	
2019	2,644,364	271,347	92,449	250	14,837	176,259	–	–	4,799,751	9.65	5,220	
2020	2,533,555	263,788	279,971	–	49,831	172,411	–	–	4,846,267	9.09	5,212	
2021	2,860,003	167,956	119,266	–	73,520	168,430	–	–	4,836,473	7.77	4,886	
2022	3,088,705	290,863	263,268	–	87,783	–	1,446	–	5,298,686	8.31	5,412	
2023	3,359,906	271,692	433,631	–	89,508	–	1,719	9,284	5,758,284	N/A	5,752	
2024	4,223,435	266,625	230,965	–	98,480	–	4,918	9,651	6,522,549	N/A	6,399	
2025	4,444,836	249,770	324,612	–	94,113	–	4,245	4,954	6,987,924	N/A	6,534	

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

⁽¹⁾ See Schedule of Assessed Value and Actual Value of Taxable Property for value data.

⁽²⁾ See Schedule of Demographic and Economic Statistics for population and personal income data.

⁽³⁾ N/A = Data not available.

⁽⁴⁾ In 2022, implementation of GASB 87, Leases.

⁽⁵⁾ In 2023, implementation of GASB 96, SBITAs.

STATISTICAL SECTION

CITY OF CHARLOTTE, NORTH CAROLINA
DIRECT AND OVERLAPPING BONDED DEBT
June 30, 2025
(Dollar Amounts in Thousands)

	Net General Obligation Bonded Debt Outstanding	Percentage Applicable to City⁽¹⁾	Amount Applicable to City
Jurisdiction			
Direct:			
City of Charlotte	\$ 198,021	100.00%	\$ 198,021
Overlapping:			
Mecklenburg County	2,179,927	75.70%	1,650,205
Total	<u>\$ 2,377,948</u>		<u>\$ 1,848,226</u>

⁽¹⁾ Percentage of direct and overlapping debt is based on June 30, 2025 assessed valuation of the City of Charlotte (\$224,831,775) as compared to the June 30, 2025 assessed valuation of Mecklenburg County (\$296,994,136).





STATISTICAL SECTION

CITY OF CHARLOTTE, NORTH CAROLINA
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(Dollar Amounts in Thousands)

Fiscal Year	Debt Limit	Net Debt Outstanding ⁽¹⁾	Legal Debt Margin	Ratio of Net Debt Outstanding to Debt Limit
2016	\$ 7,296,008	\$ 2,067,347	\$ 5,228,661	28.34%
2017	7,472,667	2,365,043	5,107,624	31.65
2018	7,670,173	2,158,926	5,511,247	28.15
2019	7,853,860	2,270,477	5,583,383	28.91
2020	11,505,747	2,180,507	9,325,240	18.95
2021	11,729,962	2,048,068	9,681,894	17.46
2022	12,047,878	2,225,118	9,822,760	18.47
2023	12,353,671	2,215,802	10,137,869	17.94
2024	17,575,706	2,333,353	15,242,353	13.28
2025	17,986,542	2,590,756	15,395,786	14.40

⁽¹⁾ Excludes debt not applicable to the limit.

Legal Debt Margin Calculation for Fiscal Year 2025:

Assessed value		\$ 224,831,775
Debt limit (8% of assessed value)		17,986,542
Total outstanding general obligation bonded debt	\$ 820,677	
Amounts due under installment purchases primarily for Convention Center, tourism, capital improvements and equipment	996,096	
Bonds authorized but unissued	773,983	
	2,590,756	
Less- Water general obligation bonds	—	
Outstanding debt, net		2,590,756
Legal debt margin		\$ 15,395,786

STATISTICAL SECTION

CITY OF CHARLOTTE, NORTH CAROLINA
SPECIAL OBLIGATION BOND COVERAGE
LAST THREE FISCAL YEARS
(Dollar Amounts in Thousands)

Fiscal Year	Allowable Revenues⁽¹⁾	Debt Service Requirement⁽²⁾	Bond Coverage
2016	27,896	1,386	20.1
2017	28,623	1,396	20.5

⁽¹⁾ Allowable revenues as defined by the Revenue Bond Order.

⁽²⁾ Bonds were paid off in fiscal year 2018.





STATISTICAL SECTION

CITY OF CHARLOTTE, NORTH CAROLINA
WATER AND SEWER REVENUE BOND COVERAGE
LAST TEN FISCAL YEARS
(Dollar Amounts in Thousands)

Fiscal Year	Allowable Revenues⁽¹⁾	Final Budgeted Expenses⁽¹⁾⁽²⁾	Debt Service Requirement	Revenue Bond Coverage	50% of Surplus Fund⁽¹⁾	Revenue Bond Coverage, Including Surplus Fund
2016	\$ 382,826	\$ 132,948	\$ 150,528	1.7	\$ 92,141	2.3
2017	410,308	153,487	150,819	1.7	118,010	2.5
2018	418,226	159,952	146,441	1.8	132,748	2.7
2019	435,750	166,869	153,687	1.7	142,149	2.7
2020	446,647	181,441	147,719	1.8	135,666	2.7
2021	458,253	189,558	143,370	1.9	141,997	2.9
2022	499,601	186,738	133,079	2.4	144,166	3.4
2023	551,726	230,974	139,905	2.3	103,878	3.0
2024	580,213	229,413	167,013	2.1	121,419	2.8
2025	626,427	249,432	177,453	2.1	125,698	2.8

⁽¹⁾ Allowable revenues, final budgeted expenses and Surplus Fund as defined by the Revenue Bond Order.

⁽²⁾ In 2023, final budgeted expenses include \$26,000 for capacity fee lawsuit.

STATISTICAL SECTION

CITY OF CHARLOTTE, NORTH CAROLINA
STORM WATER REVENUE BOND COVERAGE
LAST TEN FISCAL YEARS
(Dollar Amounts in Thousands)

Fiscal Year	Allowable Revenues⁽¹⁾	Current Expenses⁽¹⁾	Debt Service Requirement	Revenue Bond Coverage	50% of Surplus Fund⁽¹⁾	Revenue Bond Coverage, Including Surplus Fund
2016	\$ 66,515	\$ 11,788	\$ 11,971	4.6	\$ 8,589	5.3
2017	67,268	11,649	12,538	4.4	8,819	5.1
2018	68,414	11,778	12,523	4.5	9,757	5.3
2019	73,499	9,678	13,135	4.9	13,500	5.9
2020	74,081	11,324	13,406	4.7	14,389	5.8
2021	73,350	14,373	14,676	4.0	9,549	4.7
2022	79,067	17,948	17,368	3.5	3,724	3.7
2023	83,476	23,086	18,788	3.2	2,648	3.4
2024	89,528	25,794	20,542	3.1	5,206	3.3
2025	88,569	31,032	21,745	2.6	11,052	3.2

⁽¹⁾ Allowable revenues, current expenses and Surplus Fund as defined by the Revenue Bond Order.





STATISTICAL SECTION

CITY OF CHARLOTTE, NORTH CAROLINA
AIRPORT REVENUE BOND COVERAGE
LAST TEN FISCAL YEARS
(Dollar Amounts in Thousands)

Fiscal Year	Gross Revenues⁽¹⁾	Application of Revenues⁽¹⁾	Net Revenues Available for Debt Service	Debt Service Requirement⁽²⁾	Revenue Bond Coverage⁽³⁾⁽⁴⁾
2016	\$ 195,521	\$ 105,039	\$ 90,482	\$ 25,722	3.5
2017	207,928	113,685	94,243	17,439	5.4
2018	226,000	119,984	106,016	17,775	6.0
2019	245,855	130,117	115,738	22,871	5.1
2020	240,372	137,869	102,503	26,118	3.9
2021	183,806	88,011	95,795	24,991	3.8
2022	353,672	188,825	164,847	31,144	5.3
2023	454,882	212,993	241,889	40,295	6.0
2024	572,244	252,782	319,462	40,839	7.8
2025	584,476	292,319	292,157	43,034	6.8

⁽¹⁾ Gross revenues and application of revenues as defined by the Revenue Bond Order.

⁽²⁾ Net of capitalized interest.

⁽³⁾ Revenue bond coverage as defined by the Revenue Bond Order.

⁽⁴⁾ 2020 and 2021 have been restated to include North Carolina Airport Improvement Program (NCAIP) and Airport Coronavirus Response Grant Program (Federal COVID Relief Grant) funds used to pay debt service in these years.

STATISTICAL SECTION

CITY OF CHARLOTTE, NORTH CAROLINA
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN CALENDAR YEARS

Year	Population⁽¹⁾	Personal Income (thousands of dollars)⁽²⁾	Per Capita Personal Income⁽³⁾⁽⁴⁾	Median Age⁽⁴⁾	Unemployment Rate⁽¹⁾
2016	827,097	\$ 39,761,861	\$ 47,749	35.5	4.5
2017	856,062	43,070,191	50,027	34.7	4.1
2018	875,318	45,719,610	52,075	35.1	4.0
2019	919,503	49,732,239	54,534	34.7	4.2
2020	940,144	53,289,242	58,135	37.6	8.8
2021	958,788	60,313,518	63,408	37.7	5.1
2022	979,096	63,793,979	66,223	37.6	3.9
2023	1,001,146	N/A	69,588	38.0	3.5
2024	1,028,689	N/A	N/A	38.0	4.0
2025	1,069,485	N/A	N/A	38.0	4.0

⁽¹⁾ Population and unemployment rate are for Charlotte.

⁽²⁾ Personal income is calculated using Per Capita Personal income and population.

⁽³⁾ Prior years Per Capita Personal Income amounts are restated to reflect new data source.

⁽⁴⁾ Per Capita Personal Income and Median Age are for the Metropolitan Statistical Area (Charlotte - Concord - Gastonia).
Source for Per Capita Personal Income - Federal Reserve Economic Data.

N/A: Information not available.





STATISTICAL SECTION

CITY OF CHARLOTTE, NORTH CAROLINA
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

Employer	2025			2016		
	Employees	Rank	Percentage to Total City Employment	Employees	Rank	Percentage to Total City Employment
Atrium Health (formerly Carolinas Healthcare System)	39,000	1	6.12%	35,000	1	6.36%
Wells Fargo	30,291	2	4.76	23,000	2	4.18
Charlotte-Mecklenburg Schools	18,495	4	2.90	18,143	3	3.30
Wal-Mart Stores, Incorporated	–	–	–	17,100	4	3.11
Bank of America	19,590	3	3.07	15,000	5	2.73
Novant Health/Presbyterian Regional Healthcare Corporation	14,762	6	2.32	11,000	6	2.00
American Airlines/US Airways Group, Incorporated	14,923	5	2.34	11,000	7	2.00
Delhaize America Inc.	–	–	–	9,078	8	1.65
Harris Teeter, Incorporated	8,239	8	1.29	8,239	9	1.50
Duke Energy Corporation	7,900	9	1.24	7,801	10	1.42
Lowe's Companies, Incorporated	11,000	7	1.73	–		–
City of Charlotte	8,956	10	1.41	–		–
Total	173,156		27.18%	155,361		28.25%

Sources: Number of employees provided by Charlotte Regional Business Alliance. Total city employment provided by NC Department of Commerce.

STATISTICAL SECTION

CITY OF CHARLOTTE, NORTH CAROLINA
FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function/Program	Full-time Equivalent Employees as of June 30									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Public safety ^{(1) (4) (9)}	3,474.50	3,594.50	3,705.50	3,711.50	3,735.50	3,687.50	3,688.50	3,696.50	3,766.50	3,845.50
Sanitation	302.00	305.00	314.00	314.00	316.00	309.00	308.00	315.00	320.00	321.00
General administration ^{(2) (3)}	366.75	372.75	294.00	288.00	258.00	266.00	271.00	275.50	272.50	297.00
Support services ^{(4) (6) (9)}	249.00	257.00	268.00	145.00	148.00	219.00	220.00	221.00	208.00	206.00
Engineering and property management ^{(3) (5)}	325.00	343.00	347.00	450.00	491.00	473.00	466.00	461.00	457.00	328.00
Streets and highways ⁽⁴⁾	408.75	410.75	422.75	423.75	424.75	412.75	411.75	407.75	412.75	411.75
Community planning and development ⁽²⁾	214.00	218.00	329.75	361.75	377.75	363.75	368.75	382.75	425.75	434.75
Water and Sewer ^{(6) (11)}	822.00	846.00	912.00	958.00	997.00	997.00	1,019.00	1,050.00	1,106.00	1,106.00
Storm Water ^{(10) (12)}	124.00	131.00	136.00	153.00	171.00	175.00	208.00	221.00	243.00	255.00
Airport ^{(7) (13)}	503.00	553.00	595.00	659.00	708.00	708.00	714.00	759.00	829.00	907.00
Public Transit ^{(8) (14)}	419.75	522.75	522.75	534.75	582.75	582.75	583.75	610.75	644.75	660.75
Risk Management	28.00	28.00	27.00	23.00	23.00	23.00	23.00	24.00	24.00	126.00
Total	7,236.75	7,581.75	7,873.75	8,021.75	8,232.75	8,216.75	8,281.75	8,424.25	8,709.25	8,922.75

⁽¹⁾ In 2017, positions were added because the Mayor and City Council identified public safety as the highest priority.

⁽²⁾ In 2018, Char Meck 311 positions were moved from General administration to Community planning and development.

⁽³⁾ In 2020, the Procurement division including Charlotte Business Inclusion was transferred from General Administration to Engineering and Property Management.

⁽⁴⁾ In 2016, vacant positions were eliminated.

⁽⁵⁾ In 2019, General Services Fleet management positions were moved from General Administration to Engineering and property management.

⁽⁶⁾ In 2016, positions were added in response to the improving economy and regulatory changes. In 2017 through 2019 and 2022 positions were added to keep pace with the growth in customer base. In 2020, positions were added to support rehabilitation and replacement efforts and to maintain regulatory compliance.

⁽⁷⁾ In 2016, positions were added in response to the improving economy and regulatory changes. In, 2017 through 2020 and 2022 positions were added to keep up with service complexity and customer demand.

⁽⁸⁾ In 2016, positions were added for the Blue Line Extension. In 2017, positions were added for start-up and testing of new rail services for the Blue Line Extension project.

⁽⁹⁾ In 2021, Support services was centralized as Innovation and Technology transferred positions from various departments.

⁽¹⁰⁾ In 2022, Storm water added positions for managing the drainage system and to centralize land development services.

⁽¹¹⁾ In 2023, Water and Sewer added positions for operation and maintenance of facilities and for the management and administrative functions related to increase in construction projects.

⁽¹²⁾ In 2023, Storm Water added positions for Capital Projects to support project management, planning, business operations and compliance and reviews.

⁽¹³⁾ In 2023, Aviation enhanced airport security, support additional growth and enhance customer service.

⁽¹⁴⁾ In 2023, Public Transit provided support rail operation, technology, marketing, communications and administrative related efforts.

SOURCE:

Position allocations per Strategy and Budget Department.





STATISTICAL SECTION

CITY OF CHARLOTTE, NORTH CAROLINA

OPERATING INDICATORS BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS

Function/Program	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Public safety										
Police physical arrests ⁽¹⁾	20,794	19,697	18,937	17,221	16,841	13,440	13,967	14,571	15,542	16,282
911 call volume	1,251,592	1,195,766	1,179,451	1,247,438	1,220,559	1,159,829	1,227,042	1,251,435	1,231,258	1,211,649
Fire calls answered ⁽⁶⁾	117,315	123,159	124,123	130,138	119,602	124,052	143,147	132,853	119,542	125,312
Sanitation										
Refuse collected (in tons)	219,901	228,819	226,199	230,938	237,806	247,080	232,462	229,520	225,100	225,234
Refuse collected by City contractors (in tons)	72,548	84,794	87,853	87,502	93,794	93,677	94,035	90,691	88,817	91,533
Recyclables and organics collected (in tons) ⁽²⁾	50,995	57,832	57,600	63,949	51,718	53,056	39,743	44,382	42,158	44,635
Recyclables and organics collected by City contractors (in tons) ⁽²⁾	49,313	49,994	48,377	43,229	50,559	49,175	48,965	46,630	45,241	44,991
Support services/Engineering and Property Management										
Fleet maintained	3,233	3,342	3,294	3,398	3,444	3,548	3,565	3,644	3,728	3,787
Streets and highways										
Miles resurfaced ⁽³⁾	234	272	206	159	141	144	72	72	130	104
Potholes repaired ⁽⁴⁾	1,173	1,183	1,524	2,889	2,244	1,919	1,599	2,221	2,228	2,130
Community planning and development										
Housing inspections conducted	2,300	2,141	2,320	2,504	1,809	2,132	2,147	2,235	1,973	2,259
Affordable housing production ⁽⁵⁾	768	1,033	1,248	1,199	1,802	2,015	1,514	1,506	1,304	1,722
Water										
Number of service connections	273,574	279,380	285,092	290,442	297,098	304,029	310,541	318,067	323,527	328,048
Average daily pumped (in millions of gallons)	107	107	106	108	109	110	118	116	117	125
Sewer										
Number of service connections	246,299	256,327	260,580	264,981	270,640	276,498	281,983	287,499	292,053	295,747
Average daily treatment (in millions of gallons)	80	80	78	91	89	87	80	85	86	88
Storm water										
Requests for services completed ⁽⁶⁾	2,565	2,405	2,369	3,661	3,783	3,887	3,938	3,179	3,257	3,528
Airport										
Number of airline arrivals and departures per day ⁽⁷⁾	1,389	1,402	1,383	1,547	1,293	1,161	1,336	1,327	1,485	1,547
Passengers boarding (in thousands) ⁽⁷⁾	22,376	22,515	23,075	23,959	19,409	16,645	23,034	25,443	28,640	28,067
Public transit										
Revenue miles operated (in thousands) ^{(7) (8)}	16,893	16,310	16,386	17,144	15,782	13,289	13,777	13,144	13,170	13,429
Passengers (in thousands) ⁽⁷⁾	23,900	22,734	21,230	20,430	18,090	8,724	10,207	14,027	14,938	16,601

NOTES:

⁽¹⁾ In 2021, number of physical arrests decreased due to COVID-19 pandemic. Orders were issued by the Chief Judge for the County which suspended enforcement of all Order for Arrest except in cases of domestic violence and several other violent crime offense types.

⁽²⁾ Recycling contract was cancelled in 2015 and new award began in 2016.

⁽³⁾ In 2022, funding challenges reduced resurfacing.

⁽⁴⁾ In 2019, transferred to a new system capturing each pothole separately.

⁽⁵⁾ In 2017, City Council approved more low income tax credit housing projects. In 2020, additional funding sources supported an increase in production.

⁽⁶⁾ 2019 rain events caused an increase in the number of service requests received.

⁽⁷⁾ In 2020 and 2021, decrease is due to the impacts of the COVID-19 pandemic restrictions. In 2022, increase is due to the COVID-19 pandemic restrictions being lifted.

⁽⁸⁾ In 2019, revenue miles were restated to reflect consistency with National Transit Database (NTD).

⁽⁹⁾ In 2022, fire calls increased due to population increase. Also during 2019 and 2021, less people made calls for medical emergencies due to COVID-19.

SOURCES:

Charlotte-Mecklenburg Police Department, Charlotte Fire Department, Solid Waste Services, Engineering & Property Management, Charlotte Department of Transportation, Housing & Neighborhood Services, Charlotte Water, Storm Water Services, Charlotte Douglas International Airport, Charlotte Area Transit System.

STATISTICAL SECTION

CITY OF CHARLOTTE, NORTH CAROLINA
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function/Program	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Public safety										
Police stations	13	13	13	13	13	13	13	13	13	13
Patrol units	1,392	1,443	1,490	1,486	1,594	1,622	1,628	1,624	1,669	1,677
Fire stations	42	42	42	42	42	43	43	43	43	43
Sanitation										
Collection trucks	177	180	178	186	192	204	201	212	212	211
Streets and highways										
Lane miles of streets ⁽¹⁾	5,284	5,323	5,371	5,415	5,445	5,479	5,498	5,522	5,584	5,644
Number of street lights	73,634	74,140	74,310	75,472	76,734	77,160	77,294	77,698	78,531	79,686
Water										
Treatment plants	3	3	3	3	3	3	3	3	3	3
Miles of water mains	4,269	4,314	4,353	4,393	4,431	4,482	4,526	4,570	4,610	4,664
Fire hydrants	16,901	17,109	17,344	17,517	17,677	17,925	18,128	18,340	18,534	18,797
Sewer										
Treatment plants	5	5	5	7	7	7	7	6	6	6
Miles of sanitary sewer lines	4,244	4,288	4,330	4,376	4,420	4,475	4,526	4,562	4,595	4,638
Airport										
Feet of runway	35,175	35,175	35,175	35,175	35,175	35,178	35,178	35,178	35,178	27,676
Public transit										
Motor buses	316	315	312	309	339	323	325	304	245	250
Light rail vehicles ⁽²⁾	24	36	40	42	42	42	42	42	42	42
Streetcar vehicles ⁽³⁾	3	3	3	3	3	3	6	6	6	6

NOTES:

⁽¹⁾ 2016 has been restated to record lane miles of street verses miles of streets.

⁽²⁾ In 2017, twelve light rail vehicles were purchased and placed into service for the Blue Line Extension project.

⁽³⁾ In 2016, streetcar operations began, 2022 Goldline operations began.

SOURCE:

Charlotte-Mecklenburg Police Department, Charlotte Fire Department, Solid Waste Services, Charlotte Department of Transportation, Charlotte Water, Charlotte Douglas International Airport, Charlotte Area Transit System.





Single Audit

Annual Comprehensive Financial Report 2025



**Report of Independent Auditor on Internal Control over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with Government Auditing Standards**

To the Honorable Mayor and
Members of the City Council
City of Charlotte, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Charlotte, North Carolina (the "City"), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 23, 2025.

Our report includes a reference to other auditors who audited the financial statements of the Charlotte Regional Visitors Authority, as described in our report on the City's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported separately by those auditors. The financial statements of the Charlotte Firefighters' Retirement System were not audited in accordance with *Government Auditing Standards*.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered City's internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City's internal control. Accordingly, we do not express an opinion on the effectiveness of City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Cherry Bekaert LLP

Charlotte, North Carolina
December 23, 2025





**Report of Independent Auditor on Compliance for Each Major Federal Program and on
Internal Control over Compliance Required by OMB Uniform Guidance
and the State Single Audit Implementation Act**

To the Honorable Mayor and
Members of the City Council
City of Charlotte, North Carolina

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Charlotte, North Carolina's (the "City"), compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2025. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"); and the State Single Audit Implementation Act. Our responsibilities under those standards, Uniform Guidance, and the State Single Audit Implementation Act are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, Uniform Guidance, and the State Single Audit Implementation Act will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards in the United States of America, *Government Auditing Standards*, Uniform Guidance, and the State Single Audit Implementation Act we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with Uniform Guidance and the State Single Audit Implementation Act, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and, therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.



Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Report on Schedule of Expenditures of Federal and State Awards Required by Uniform Guidance and the State Single Audit Implementation Act

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated December 23, 2025, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise the City's basic financial statements. The accompanying schedule of expenditures of federal and State awards is presented for purposes of additional analysis as required by the Uniform Guidance and State Single Audit Implementation Act and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 schedule of expenditures of federal and State awards is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and State Single Audit Implementation Act. Accordingly, this report is not suitable for any other purpose.

Cherry Bekaert LLP

Charlotte, North Carolina
January 26, 2026



**Report of Independent Auditor on Compliance for Each Major State Program and on
Internal Control over Compliance Required by OMB Uniform Guidance
and the State Single Audit Implementation Act**

To the Honorable Mayor and
Members of the City Council
City of Charlotte, North Carolina

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited the City of Charlotte, North Carolina's (the "City"), compliance with the types of compliance requirements identified as subject to audit in the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission that could have a direct and material effect on each of the City's major State programs for the year ended June 30, 2025. The City's major State programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major State programs for the year ended June 30, 2025.

Basis for Opinion on Each Major State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"); and the State Single Audit Implementation Act. Our responsibilities under those standards, Uniform Guidance and the State Single Audit Implementation Act are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major State program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City's State programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, Uniform Guidance, and the State Single Audit Implementation Act will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major State program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, Uniform Guidance, and the State Single Audit Implementation Act, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with Uniform Guidance and the State Single Audit Implementation Act, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a State program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a State program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Report on Schedule of Expenditures of Federal and State Awards Required by Uniform Guidance and the State Single Audit Implementation Act

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated December 23, 2025, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise the City's basic financial statements. The accompanying schedule of expenditures of federal and State awards is presented for purposes of additional analysis as required by the Uniform Guidance and State Single Audit Implementation Act and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 schedule of expenditures of federal and State awards is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and State Single Audit Implementation Act. Accordingly, this report is not suitable for any other purpose.

Cherry Bekaert LLP

Charlotte, North Carolina
January 26, 2026



CITY OF CHARLOTTE, NORTH CAROLINA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2025

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued on whether the financial Statements were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? _____ yes X no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? _____ yes X none reported
- Noncompliance material to financial statements noted? _____ yes X no

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? _____ yes X no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? _____ yes X none reported
- Noncompliance material to federal awards? _____ yes X no

Type of auditor’s report issued on compliance for major federal programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516 (a)?

_____ yes X no

Identification of major federal programs:

Federal Assistance Listing Number

Names of Federal Program or Cluster

20.500-CL

21.027

21.016

Federal Transit Cluster

COVID-19: Coronavirus State and Local Fiscal Recovery Funds

Equitable Sharing Program



CITY OF CHARLOTTE, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

YEAR ENDED JUNE 30, 2025

Section I – Summary of Auditor’s Results (continued)

Dollar threshold used to distinguish between Type A and Type B Programs:

\$ 3,000,000

Auditee qualified as low-risk auditee?

_____ yes X no

State Awards

Internal control over major state programs:

• Material weakness(es) identified?

_____ yes X no

• Significant deficiency(ies) identified that are not considered to be material weaknesses?

_____ yes X none reported

Noncompliance material to state awards?

_____ yes X no

Type of auditor’s report issued on compliance for major state programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with the *Audit Manual for Governmental Auditors in North Carolina*?

_____ yes X no

Identification of major state programs:

Names of State Program or Cluster

State Aid for Airports

Urban State Match

Powell Bill



CITY OF CHARLOTTE, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

YEAR ENDED JUNE 30, 2025

Section II – Financial Statement Findings

None reported.

Section III – Federal Award Findings and Questioned Costs

None reported.

Section IV – State Award Findings and Questioned Costs

None reported.



CITY OF CHARLOTTE, NORTH CAROLINA
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

YEAR ENDED JUNE 30, 2025

2024-001: Corrected.



SINGLE AUDIT

CITY OF CHARLOTTE, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2025

Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	State/Pass-Through Grantor's Award Number	Federal (Direct & Pass-Through) Expenditures	State Expenditures	Pass-Through to Subrecipients
FEDERAL AWARDS:					
<u>Executive Office of the President</u>					
Direct Programs:					
High Intensity Drug Trafficking Areas	95.001	G23GA0007A	\$ 71,202	\$ -	\$ -
High Intensity Drug Trafficking Areas	95.001	G24GA0007A	141,841	-	-
Total Executive Office of the President			\$ 213,043	\$ -	\$ -
<u>U.S. Department of Agriculture</u>					
National Arbor Day Foundation:					
Inflation Reduction Act Urban & Community Forestry	10.727	24-CA-11132544-015	\$ 29,008	\$ -	\$ -
Total U.S. Department of Agriculture			\$ 29,008	\$ -	\$ -
<u>U.S. Department of Homeland Security</u>					
Federal Emergency Management Agency:					
Assistance to Firefighters	97.044	EMW-2021-FG-04082	\$ 15,185	\$ -	\$ -
Fire Prevention & Safety	97.044	EMW-2021-FP-00287	1,981	-	-
Fire Prevention & Safety	97.044	EMW-2022-FG-03872	295,726	-	-
Fire Prevention & Safety	97.044	EMW-2023-FP-00446	13,143	-	-
Total Federal Emergency Management Agency			326,035	-	-
Pass-Through N.C. Department of Public Safety:					
Disaster Grants-Public Assistance (Presidentially Declared)	97.036	4827DR-NC TROPICAL STORM HELENE	602,444	-	-
Emergency Management	97.067	EMW-2021-SS-00039 / MOA 2142006	86,375	-	-
Emergency Management	97.067	EMW-2021-SS-00039 / MOA 2142008	85,098	-	-
Emergency Management	97.067	EMW-2022-SS-00018 / MOA 2240030	494	-	-
Emergency Management	97.067	EMW-2022-SS-00018 / MOA 2242001	1,668,755	-	-
Emergency Management	97.067	EMA-2023-EP-00034 / MOA 2342001	1,063,959	-	-
Emergency Management	97.067	EMW-2024-SS-05170 / 24HSGP-UA001	629,375	-	-
Total Pass-Through N.C. Department of Public Safety			4,136,500	-	-
Total U.S. Department of Homeland Security			\$ 4,462,535	\$ -	\$ -

SINGLE AUDIT

CITY OF CHARLOTTE, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2025

U.S. Department of Environmental Protection Agency

Pass-Through N.C. Department of Environmental Quality:					
COVID-19 - Lead and Copper Rule Revisions	21.027	AIA-D-ARP-0109	\$	291,474	\$ - \$ -
Drinking Water State Revolving Fund	66.468	H-SRF-F-22-1993		550,000	- -
Total U.S. Department of Environmental Protection Agency			\$	841,474	\$ - \$ -

U.S. Department of Housing and Urban Development

CDBG - Entitlement Grant Cluster:					
Direct Programs:					
Community Development Block Grants / Entitlement	14.218	B-18-MC-37-0003	\$	91,711	\$ - \$ 91,711
Community Development Block Grants / Entitlement	14.218	B-19-MC-37-0003		199,178	- 199,178
Community Development Block Grants / Entitlement	14.218	B-20-MC-37-0003		16,238	- 16,238
COVID-19 - Community Development Block Grants / Entitlement	14.218	B-20-MW-37-0003		101,733	- 101,733
Community Development Block Grants / Entitlement	14.218	B-21-MC-37-0003		235,434	- 235,434
Community Development Block Grants / Entitlement	14.218	B-22-MC-37-0003		1,984,047	- 1,984,047
Community Development Block Grants / Entitlement	14.218	B-23-MC-37-0003		3,064,407	- 3,064,407
Community Development Block Grants / Entitlement	14.218	B-24-MC-37-0003		38,868	- 38,868
Total CDBG - Entitlement Grants Cluster				5,731,616	- 5,731,616

Other U.S. Dept. of Housing and Urban Development:

Direct Programs:					
Emergency Shelter	14.231	E-22-MC-37-0003		16,130	- 16,130
Emergency Shelter	14.231	E-23-MC-37-0003		492,498	- 492,498
HOME Investment Partnerships	14.239	M17-DC370212		361,822	- 20,487
HOME Investment Partnerships	14.239	M18-DC370212		498,626	- 28,232
HOME Investment Partnerships	14.239	M19-DC370212		1,994,262	- 116,430
HOME Investment Partnerships	14.239	M20-DC370212		2,474,833	- 140,126
COVID-19 Home Investment Partnerships	14.239	M21-DP370212		1,525,159	- 1,525,159
HOME Investment Partnerships	14.239	M21-DC370212		458,588	- 25,965
Housing Opportunities for Persons with AIDS	14.241	NCH21-F001		165,941	- 165,941
Housing Opportunities for Persons with AIDS	14.241	NCH22-F001		713,649	- 713,649
Fair Housing Assistance	14.401	FF204K224060		706	- -
Fair Housing Assistance	14.401	FF204K224059		1,995	- -
Fair Housing Assistance	14.401	FF204K234062		2,500	- -
Fair Housing Assistance	14.401	FF204K234063		1,500	- -
Fair Housing Assistance	14.401	FF204K240002		176,329	- -
Lead-Based Paint Hazard Control in Privately-Owned Housing	14.905	NCLHD0505-23		571,828	- 8,850
Healthy Homes	14.900	NCLHD0505-23		130,477	- 10,000





SINGLE AUDIT

CITY OF CHARLOTTE, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2025

Total Other U.S. Dept. of Housing and Urban Development			9,586,843	–	3,263,467
Total U.S. Department of Housing and Urban Development			\$ 15,318,459	\$ –	\$ 8,995,083
U.S. Department of Justice					
Direct Programs:					
Missing Alzheimer's Disease Patient Assistance	16.015	15PBJA-22-GG-03598-MAPX	\$ 18,627	\$ –	\$ –
Law Enforcement Mental Health and Wellness	16.710	15JCOPS-22-GG-04098-LEMH	75,676	–	–
Law Enforcement Mental Health and Wellness	16.710	15JCOPS-24-GG-03371-UHPX	610,106	–	–
Edward Byrne Memorial Justice Assistance	16.738	15PBJA-21-GG-01639-JAGX	61,272	–	60,162
Edward Byrne Memorial Justice Assistance	16.738	15PBJA-21-GG-03283-JAGP	242,753	–	14,763
Edward Byrne Memorial Justice Assistance	16.738	15PBJA-22-GG-02089-JAGX	267,488	–	25,451
Edward Byrne Memorial Justice Assistance	16.738	15PBJA-23-GG-03613-JAGX	288,247	–	87,840
Edward Byrne Memorial Justice Assistance	16.738	15PBJA-24-GG-03978-BSCI	12,165	–	–
Edward Byrne Memorial Justice Assistance	16.738	15PBJA-24-GG-05352-JAGX	13,816	–	–
DNA Backlog Reduction	16.741	15PBJA-22-GG-01683-DNAX	138,223	–	–
DNA Backlog Reduction	16.741	15PBJA-23-GG-01308-DNAX	389,719	–	–
Congressionally Recommended	16.753	15PBJA-22-GG-00067-BRND	876,071	–	876,071
National Sexual Assault Kit Initiative	16.833	2019-AK-BX-0001	907	–	–
National Sexual Assault Kit Initiative	16.833	2020-AK-BX-0039	195,668	–	–
National Sexual Assault Kit Initiative	16.833	2022-GG-03767-SAKI	917,012	–	26,581
National Sexual Assault Kit Initiative	16.833	15PBJA-23-GG-02294-SAKI	139,455	–	–
National Sexual Assault Kit Initiative	16.833	15PBJA-23-GG-02303-SAKI	175,924	–	–
Equitable Sharing - Justice	16.922	ESAC 07/01/2025	1,502,047	–	–
Total Direct Programs			5,925,176	–	1,090,868
Pass-Through N.C. Department of Public Safety:					
Juvenile Justice and Delinquency Prevention	16.540	15PJDP-21-GG-04730-TTL	64,295	–	–
Total Pass-Through N.C. Department of Public Safety			64,295	–	–
Pass-Through WI Emergency Management Assistance Compact:					
WI - 2024 Republican National Convention	97.107	2988-RSA-13197-1-1 / EMW-2024-FR-05449	695,377	–	–
Total Pass-Through WI EMAC			695,377	–	–
Total U.S. Department of Justice			\$ 6,684,848	\$ –	\$ 1,090,868
U.S. Department of Treasury					
Direct Programs:					
Equitable Sharing - Treasury	21.016	ESAC 07/01/2025	\$ 3,574,217	\$ –	\$ –
COVID-19 - Emergency Rental Assistance	21.023	ERAE0194 / ERAE0305	2,508,583	–	1,108,667
COVID-19 - State and Local Fiscal Recovery	21.027	SLFRP1056	41,633,995	–	793,967
Total Direct Programs			47,716,795	–	1,902,634

SINGLE AUDIT

CITY OF CHARLOTTE, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2025

Pass-Through N.C. Department of Environmental Quality:					
COVID-19 - State and Local Fiscal Recovery	21.027	SRP-SW-ARP-0084	1,510	—	—
Total Pass-Through N.C. Department of Environmental Quality			1,510	—	—
Total U.S. Department of Treasury			\$ 47,718,305	\$ —	\$ 1,902,634
<u>U.S. Department of Transportation</u>					
Federal Aviation Administration:					
Direct Programs:					
COVID-19 - Airport Improvement Program	20.106	3-37-0012-092-2022	\$ 3,979,251	\$ —	\$ —
COVID-19 - Airport Improvement Program	20.106	3-37-0012-093-2022	4,069	—	—
Airport Improvement Program	20.106	3-37-0012-094-2022	1,176,136	—	—
Airport Improvement Program	20.106	3-37-0012-099-2023	15,951,482	—	—
Airport Improvement Program	20.106	3-37-0012-100-2023	9,444,604	—	—
Airport Improvement Program	20.106	3-37-0012-101-2023	3,150,390	—	—
Airport Improvement Program	20.106	3-37-0012-102-2023	12,459,107	—	—
Airport Improvement Program	20.106	3-37-0012-103-2023	4,591,420	—	—
Airport Improvement Program	20.106	3-37-0012-104-2024	5,917,492	—	—
Airport Improvement Program	20.106	3-37-0012-105-2024	139,685	—	—
Airport Improvement Program	20.106	3-37-0012-106-2024	32,417,006	—	—
Airport Improvement Program	20.106	3-37-0012-107-2024	3,954,647	—	—
Total Federal Aviation Administration			93,185,289	—	—
Federal Highway Planning and Construction:					
Direct Programs:					
Safe Streets and Roads for All	20.939	693JJ32340072	345,022	—	—
Reconnecting Communities Pilot	20.940	693JJ32440136	496,302	—	—
Total Direct Programs			841,324	—	—
Highway Planning and Construction Cluster:					
Pass-Through N.C. Department of Transportation:					
Highway Planning and Construction	20.205	C-5613BA-E / 43735.3.5-9 / CMAQ-1003	595,372	—	—
Highway Planning and Construction	20.205	U-5874 / 46437.2.1 / STBGDA-0085(036)	6,450,394	—	—
Highway Planning and Construction	20.205	EB-5929 / 47694.1.1 / STBGDA-1003(161)	32,060	—	—
Highway Planning and Construction	20.205	20.205M-0551ED / PE49600.5.4	110,103	—	—
Highway Planning and Construction	20.205	BRZ-NBIS (2024-2032)	316,265	—	—
Highway Planning and Construction	20.205	7500025854 / 50246.1.5 / 50902.1.1	313,692	—	272,712
Highway Planning and Construction	20.205	7500026454 / 50902.1.2 / 50246.1.6 / 51386.1.5	2,616,682	—	183,795
Total Pass-Through N.C. Department of Transportation			10,434,568	—	456,507





SINGLE AUDIT

CITY OF CHARLOTTE, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2025

Pass-Through S.C. Department of Transportation:					
Highway Planning and Construction	20.205	20.205M-0551ED / PE49600.5.4	9,787	—	—
Pass-Through Rock Hill:					
Highway Planning and Construction	20.205	20.205M-0551ED / PE49600.5.4	12,727	—	—
Pass-Through Gastonia:					
Highway Planning and Construction	20.205	20.205M-0551ED / PE49600.5.4	19,836	—	—
Pass-Through Concord:					
Highway Planning and Construction	20.205	20.205M-0551ED / PE49600.5.4	17,683	—	—
Total Other Pass-Through Programs			60,033	—	—
Total Federal Highway Administration Cluster			10,494,601	—	456,507
Total Federal Highway Planning and Construction			11,335,925	—	456,507
Federal Transit Administration:					
Federal Transit Cluster:					
Federal Transit - Capital Investment:					
Direct Programs:					
Federal Transit Capital Investment	20.500	NC-03-0082-00	154,164	—	—
Federal Transit Capital Investment	20.500	NC-2016-001-00	560,749	—	—
Federal Transit Capital Investment	20.500	NC-2023-006-00	82,215	—	—
Total Federal Transit - Capital Investment			797,128	—	—
Federal Transit - Formula:					
Direct Programs:					
Federal Transit Formula	20.507	NC-2016-043-00	526,832	—	—
Federal Transit Formula	20.507	NC-2017-019-00	53,925	—	—
Federal Transit Formula	20.507	NC-2018-068-00	1,750,498	—	—
Federal Transit Formula	20.507	NC-2019-050-00	235,997	—	—
Federal Transit Formula	20.507	NC-2020-060-02	268,746	—	—
COVID-19 - Federal Transit Formula	20.507	NC-2022-008-00	2,869,195	—	—
COVID-19 - Federal Transit Formula	20.507	NC-2022-010-00	15,773,670	—	—
Federal Transit Formula	20.507	NC-2022-040-00	7,524,949	—	—
COVID-19 - Federal Transit Formula	20.507	NC-2023-048-00	496,005	—	—
Federal Transit Formula	20.507	NC-2023-020-00	15,379,002	—	—
Federal Transit Formula	20.507	NC-2024-015-00	16,842,203	—	—
Federal Transit Formula	20.507	NC-2025-013-00	18,807,332	—	—
Total Federal Transit - Formula			80,528,354	—	—

SINGLE AUDIT

CITY OF CHARLOTTE, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2025

N.C. Department of Transportation-Public Transportation:

Direct Programs:

FY25 Urban State Match Program	24-UM-102A	\$	–	\$	87,606	\$	–
FY25 Urban State Match Program	24-UM-102B		–		90,059		–
FY25 Urban State Match Program	24-UM-102C		–		153,310		–
FY25 Urban State Match Program	24-UM-102D		–		174,759		–
FY25 Urban State Match Program	24-UM-102E		–		176,000		–
FY25 Urban State Match Program	24-UM-102F		–		1,430,136		–
Total N.C. Dept. of Transportation-Public Transportation		\$	–	\$	2,111,870	\$	–

Federal Transit - State of Good Repair:

Direct Programs:

Federal Transit - State of Good Repair	20.525	NC-2017-009-00	12,818	–	–
Total Federal Transit - State of Good Repair			12,818	–	–

Federal Transit - Bus and Bus Facilities Formula:

Direct Programs:

Bus and Bus Facilities Formula	20.526	NC-2018-049-00	779,089	–	–
Bus and Bus Facilities Formula	20.526	NC-2025-007-00	14,661,189	–	–
Total Federal Transit - Bus and Bus Facilities Formula			15,440,278	–	–
Total Federal Transit Cluster			96,778,578	2,111,870	–

Transit Services Programs Cluster:

Direct Programs:

Enhance Mobility of Seniors and Individuals with Disabilities	20.513	NC-2020-030-00	197,216	–	197,216
Enhance Mobility of Seniors and Individuals with Disabilities	20.513	NC-2021-041-00	133,548	–	133,548
Enhance Mobility of Seniors and Individuals with Disabilities	20.513	NC-2022-061-00	187,943	–	154,783
Enhance Mobility of Seniors and Individuals with Disabilities	20.513	NC-2023-045-00	4,740	–	–
Enhance Mobility of Seniors and Individuals with Disabilities	20.513	NC-2023-047-00	90,245	–	90,245
Enhance Mobility of Seniors and Individuals with Disabilities	20.513	NC-2023-049-00	266,509	–	266,509
Enhance Mobility of Seniors and Individuals with Disabilities	20.513	NC-2024-042-00	218,314	–	218,314
Total Transit Services Programs Cluster			1,098,515	–	1,060,615

Pass-Through N.C. Department of Transportation:

Federal Transit Metropolitan Transportation Planning	20.505	NC-2024-053-00 / 25-08-102	1,040,072	–	198,604
Total Pass-Through N.C. Department of Transportation			1,040,072	–	198,604
Total Federal Transit Administration			98,917,165	2,111,870	1,259,219





SINGLE AUDIT

CITY OF CHARLOTTE, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2025

N.C. Department of Transportation-Metropolitan Planning:							
Direct Programs:							
FY23 Metro Planning State Match				NC-2024-053-00 / 25-08-102	-	129,363	24,702
Total N.C. Department of Transportation-Metropolitan Planning					-	129,363	24,702
National Highway Traffic Safety Administration:							
Highway Safety Cluster:							
Pass-Through N.C. Department of Transportation:							
State and Community Highway Safety	20.600	AL-24-02-07			32,117	-	-
State and Community Highway Safety	20.600	PT-24-06-22			3,547	-	-
State and Community Highway Safety	20.600	PT-24-06-08			3,837	-	-
State and Community Highway Safety	20.600	AL-25-02-05			89,798	-	-
State and Community Highway Safety	20.600	PT-25-06-08			19,686	-	-
State and Community Highway Safety	20.600	PT-25-06-24			30,704	-	-
Total Highway Safety Cluster					179,689	-	-
Total U.S. Department of Transportation					\$ 199,634,748	\$ 2,241,233	\$ 1,740,428
<u>N.C. Department of Public Safety</u>							
Direct Programs:							
FY25 NC Structural Collapse School		MOA FY25 NC Structural Collapse			\$ -	\$ 210,000	\$ -
Regional Response for Emergency Management		2020-NCRRT-7			-	37,258	-
Emergency Management Performance		MOA 2021-180-24-2			-	93,571	-
Emergency Management-NC Tier II Competitive		2471048			-	10,000	-
Emergency Management-FY25 Heavy Equipment & Rigging		MOA 102646			-	62,552	-
Total Direct Programs					-	413,381	-
Pass-Through Mecklenburg County:							
Juvenile Offender Diversion Program				FY2025 JCPC (41688)	-	233,275	-
Total Pass-Through Mecklenburg County					-	233,275	-
Total N.C. Department of Public Safety					\$ -	\$ 646,656	\$ -
<u>N.C. Department of Transportation</u>							
Direct Programs:							
Airport Improvement Program		DOT-8 / 36244.17.21.1			-	38,451,296	-
Duke Energy - NC 49 and General Drive		HS-2010E			-	18,183	-
FY24 ConCPT Coordination Grant		24-CO-102			-	193,500	-
FY25 Rideshare Program		25-RS-102			-	82,630	-
Locally Administered Project		U-5905 / 46450.1.1 / 46450.2.1 / 46450.3.1			-	4,601,472	-

CITY OF CHARLOTTE, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2025

NC 27 (Mt Holly Road) and SR 1609	SS-6010F / CON 48988.3.1	–	400,000	–
State Maintenance Assistance FY2025	DOT-9 / 36234.6.20.2	–	9,208,761	–
State Street Aid-Powell Bill	DOT-4 / 32570	–	14,199,500	–
Traffic-Construction by Others	48763.1.1 / SS-4910DQ	–	110,000	–
Total N.C. Department of Transportation		\$	–	\$ 67,265,342
				\$ –
<u>N.C. Department of Commerce</u>				
One NC	2019-23785	\$	–	\$ 379,562
Total N.C. Department of Commerce		\$	–	\$ 379,562
				\$ –
<u>N.C. Department of Information Technology</u>				
N.C. 911 Board	FY24 PSAP Priority 3	\$	–	\$ 169,097
N.C. 911 Board	FY24 911 PSAP Radio	–	198,769	–
Total N.C. Department of Information Technology		\$	–	\$ 367,866
				\$ –
TOTAL FEDERAL AND STATE AWARDS		\$	278,885,740	\$ 70,900,659
				\$ 13,729,013

CITY OF CHARLOTTE, NORTH CAROLINA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
JUNE 30, 2025

1. Basis of Presentation

The accompanying schedule of expenditures of federal and State awards (SEFSA) includes the federal and State grant activity of the City of Charlotte, North Carolina (the "City") under the programs of the federal government and the State of North Carolina for the year ended June 30, 2025. The information in this SEFSA is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the State Single Audit Implementation Act. Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position or cash flows of the City.

2. Summary of Significant Accounting Policies

Expenditures reported in the SEFSA are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The City has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

3. Difference Between Powell Bill State Report and the SEFSA

The City of Charlotte reported \$14,199,500 of expenditures on the Powell Bill Expenditures Report for FY2025, as per the statutory deadline of August 1, 2025. The same expenditure amount is reported on the SEFSA. However, subsequent payments totaling \$117,990 were processed in FY2026 for products and services provided in FY2025, after the report was filed. If the adjustment had been included, the SEFSA would have reflected total expenditures of \$14,317,490 for Powell Bill.



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