



Annual Comprehensive Financial Report

For the fiscal year ended | June 30, 2022

City of Charlotte
NORTH CAROLINA

**City of Charlotte, North Carolina
Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2022**

Mayor: Vi Alexander Lyles



Mayor Pro Tem: Julie Eiselt



City Council:

**Greg Phipps
At Large**



**Braxton Winston
At Large**



**Dimple Ajmera
At Large**



**Larken Egleston
District 1**



**Malcolm Graham
District 2**



**Victoria Watlington
District 3**



**Reneé Johnson
District 4**



**Matt Newton
District 5**



**Tariq Bokhari
District 6**



**Edmund H. Driggs
District 7**



City Manager: Marcus D. Jones



**Prepared by the City of Charlotte Finance Department
Teresa T. Smith, Chief Financial Officer
Betty J. Mattos, Chief Accountant**



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Introductory Section

Annual Comprehensive Financial Report 2022



November 4, 2022

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, 2022. 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, 2022, 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.





CHARLOTTE'S GOVERNMENT AND THE REPORTING ENTITY

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 979,096, Charlotte is the most populous city in North Carolina and the 16th 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.



City Manager Marcus Jones

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 residents. 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 component unit, is presented as a Pension Trust Fund.
- The **Charlotte Regional Visitors Authority** is reported as a discretely presented component unit.

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





LOCAL ECONOMY

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.

Throughout fiscal year 2022, Charlotte worked to advance City Council's priorities and to ensure that the city and its' residents not only continued to recover from the impacts of the pandemic but also to flourish. The city continued to strive to create access and equity for all by increasing the connection of both people and places throughout the city.



The city's strong history of sound management and financial principals allowed it to react quickly to the economic and social uncertainty that were created by the COVID-19 pandemic. In addition to other COVID-19 related funds, Charlotte was allocated \$141.6 million in Local Fiscal Recovery Funds through the American Rescue Plan ACT (ARPA). The city received the first tranche, \$70.8 million, in May of 2021. The city received the second tranche of \$70.8 million in June 2022. Charlotte engaged in deliberate planning to use these funds guided by City Council's priorities along with key community stakeholders to balance the immediate needs of the city along with making long-term transformational investments for Charlotte's future.

Charlotte closely evaluated the need to support internal operations and utilizing the city's allocated ARPA funds to invest in community programs to support those most impacted by the pandemic. Through this framework the city identified four primary categories of investments with the majority of funds being used for external support to activate the \$141.6 million in ARPA funds. The four categories of identified investment include City Operations (\$31.6 million), Community Vitality (\$31 million), Workforce Development and Jobs and Minority, Women, and Small Owned Businesses (\$32 million), and Housing and Homelessness (\$47 million).





According to a 2022 study by CNBC, North Carolina ranked as the best state for business. The Charlotte region ranked 21st in the U.S. for total Gross Domestic Product (GDP) output and Mecklenburg County accounted for about 21 percent of the total GDP output for the state in 2020, the most recently available data from the Bureau of Economic Analysis. In addition, the Charlotte region has seen a full employment recovery following the onset of the COVID-19 pandemic. The region topped pre-pandemic levels in early 2022 with an average of 12,500 net jobs added each quarter since the start of 2021.

FINANCE AND TECHNOLOGY SERVICES CENTER

Charlotte is home to eight Fortune 500 companies: Lowe's, Bank of America, Nucor, Honeywell, Duke Energy, Truist Financial, Sonic Automotive, and Brighthouse Financial. 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 \$2.44 trillion in consolidated assets, and Truist Financial, the nation's seventh largest bank, with \$532.1 billion are headquartered in Charlotte. In August 2022, The Bank of London announced that they would be establishing their US Global Platform & Services headquarters in Charlotte. The new headquarters is expected to create 350 new jobs across multiple disciplines by 2026. Charlotte's strength as a banking headquarters city is foundational to the region's economic success.

In October 2021, Hayward Holdings a designer, manufacturer and marketer of pool equipment and automation systems began its relocation of corporate offices from New Jersey to Charlotte. Hayward Holdings will bring 1,000 jobs to North Carolina including the senior leadership, corporate IT, corporate finance, and other strategic functions to its new Charlotte office.

In March 2022, it was announced that the Innovation District that will be home to the Wake Forest University School of Medicine Charlotte will be known as "The Pearl". The Pearl represents a public private partnership between Atrium Health, Wexford Science and Technology LLC, local governments and the community that is anticipated to result in \$1.5 billion of private investment and generate more than 11,500 jobs with more than 5,500 of those jobs anticipated to be onsite within the district.

In May 2022, Advocate Aurora Health and Atrium Health announced their plans to come together to create a leading health and wellness delivery system and will represent the fifth largest health system by revenue in the country. The newly combined organization will have a combined footprint across Illinois, Wisconsin, North Carolina, South Carolina, Georgia and Alabama and will serve 5.5 million patients through more than 1,000 sites and have a combined revenue of more than \$27 billion. The newly combined organization will be headquartered in Charlotte.

In June 2022, Eli Lilly and Company, a leading health care and pharmaceutical company, broke ground on a new \$1 billion state of the art manufacturing facility in the Charlotte region and will create nearly 600 new jobs. The new facility will utilize the latest technology and focus on manufacturing injectable medicines, device assembly and packing operations.



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) leads the state as the top economic engine among airports, according to the North Carolina Department of Transportation (NCDOT) Division of Aviation. CLT is ranked among the top 10 busiest airports in the world, averaging 1,424 arrivals and departures plus daily aircraft operations serving approximately 183 nonstop destinations around the globe. In 2019, CLT generated \$24.6 billion in annual economic impact, and supports over 165,000 jobs for North Carolina residents. For 2021, CLT ranked 5th worldwide in aircraft movements (519,895) and 6th in total passengers (43.3 million).

The Airport's recovery from the COVID-19 pandemic continued in fiscal year 2022. Over this period, CLT passenger numbers continued to consistently exceed averages for the nation, as American Airlines continued its strategy of concentrating its capacity at its largest hubs at Dallas/Fort Worth International Airport and CLT. In June of 2022, CLT reached a milestone as passenger traffic for the first time surpassed the level set in the same month pre-pandemic.

RECREATIONAL, VISITOR AND CULTURAL CENTER

The tourism industry in the Charlotte region creates jobs and improves the quality of life for the entire community. While the tourism industry continues to operate in the reality of COVID-19, fiscal year 2022 began to see the Charlotte tourism market recover. Fiscal year 2022 hotel revenue across Mecklenburg County grew by 93.2 percent over fiscal year 2021 to \$754.5 million, achieving close to the pre-pandemic peak revenues of fiscal year 2019 of \$813.5 million. Gross prepared food and beverage spending in restaurants and bars within Mecklenburg County grew by 32.6 percent to \$4.39 billion, surpassing the fiscal year 2019 peak by over 20 percent. Fiscal year 2022 also saw 18 of the top 20 nights in terms of hotel rooms sold in Charlotte's history.





According to their fiscal year 2020 annual reporting, the Charlotte Regional Visitors Authority (CRVA) activities directly generated an estimated \$635 million in total economic impact for our community, including \$368 million in incremental direct visitor spending as well as producing nearly \$20 million in local tax collections. The Charlotte region once again led the Carolinas in tourism impacts: 29.6 million visitors and \$7.8 billion in direct visitor spending, capping ten consecutive years of growth.

Charlotte is a destination of choice 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
- Minor-league hockey with the Charlotte Checkers (a minor league affiliate of the NHL's Florida Panthers) at Bojangles' Coliseum
- 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.
- International, national, and local events and conventions are hosted at the Charlotte Convention Center. During fiscal year 2022, the center successfully hosted 285 events with 145,172 in total reported attendance, including 33 conventions and trade shows, 14 assemblies, 19 consumer shows and 219 local events. Notable events included the International Association of Fire Chiefs 2021 International Meeting & Expo, Associated Professional Sleep Societies SLEEP 2022, Envestnet Advisor Summit 2022, Technical Association of the Pulp and Paper Industry 2022 PaperCon, Society for the Advancement of Material & Process Engineering SAMPE 2022, and the Electric Power Research Institute's Electrification 2022.





FINANCIAL INFORMATION

INTERNAL CONTROLS

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.

FINANCIAL POLICIES

The City of Charlotte has a history of sound fiscal policy and practices and has consistently held AAA ratings for over 44 years, since 1977. The city relies on key financial policies to ensure needs are met in fiscally responsible ways. In fiscal year 2022, the city continued its comprehensive review of citywide policies to establish standards for financial internal controls across the organization.

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.

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.

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.





BUDGET CONTROL

The Annual Adopted Budget and CIP are foundational to Charlotte's financial planning and fiscal control, affirming the city's key strategic priorities of Economic Development; Great Neighborhoods; Safe Communities; Transportation, Planning, and Environment; and Well-Managed Government 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.a. in the notes to the financial statements.

MAJOR INITIATIVES

Fiscal year 2021 will be remembered for navigating through the heart of the COVID-19 pandemic. Fiscal year 2022 marked the transition as the city focused on resilience and recovery. The fiscal year 2022 budget was developed to lead the City of Charlotte toward addressing the most foundational and pressing needs of the city and is led by the City Council's strategic priorities which are leveraged to guide decision making and align resource allocation.

Economic Development

Business Support: Charlotte, unlike many cities across the country, was able to utilize the majority of its allocated federal relief funds to directly support the communities that need it most. Charlotte used more than 58 percent of CARES Act funds, and have allocated over 77 percent of ARPA funds to invest in externally community focused efforts.

- Dedicated \$7.3 million in funding to offset economic impacts of COVID-19
- Dedicated \$3 million in funding for an employment study for the Corridors of Opportunity
- Dedicated \$16 million in funding for Jobs, Workforce development and Minority, Women and Small Business Enterprises (MWSBE) efforts

Corridors of Opportunity: The City's six designated Corridors of Opportunity received a \$14 million investment in fiscal year 2022. Each corridor has on-going projects and strategies tailored to the specific business development, placemaking, community engagement, and transportation infrastructure needs with the corridor.

Career and Training Academy (CTA): The CTA, is an economic mobility initiative, designed to provide economic opportunities for people who otherwise would not have qualified for jobs with the





city. The city employed over 37 graduates of the CTA program when the fiscal year 2022 budget was adopted by City Council. In addition to the CTA, the city also offers an apprentice program across multiple city departments.

Advancing Equity for All: The city's Office of Equity, Mobility, and Immigrant Integration has led recent initiatives to address systemic and community barriers that limit opportunities for Charlotte's vulnerable communities. Strong support has allowed key initiatives to develop and additional programs to progress. Key projects include approved language access policy, advancement with the American with Disabilities (ADA) implementation and approved internal equity statement.

NXT CLT: NXTCLT is a public-private collaboration to support minority business owners to develop their business and leadership skills through establishing connections with Charlotte business leaders and providing access to financial support. For fiscal year 2022, the city and Atrium Health will each contribute \$250,000 to support the program so it can deliver a customized curriculum with targeted emphasis on management, market development, and accessing capital.

Great Neighborhoods

Affordable Housing: City Council's and the community's commitment to increasing the affordable housing supply led to the creation of the privately financed Charlotte Housing Opportunity Investment Fund in spring 2018, which exceeded its \$50 million fundraising goal. Together with the Housing Trust Fund, this funding leverages public, private, and non-profit dollars to increase the supply and accessibility of housing in the community. Since inception over 12,000 units and shelter beds have been created and preserved through the Housing Trust Fund.

The 2020 bond brought the total investment in housing bonds in Charlotte to \$130 million, which is an increase of \$70 million above what was originally planned. The city will propose an additional \$50 million bond referendum to voters in November 2022.

Supporting Our Community: A key highlight toward community support efforts was providing opportunities for residents to receive financial assistance to lessen the impacts of the COVID-19 pandemic. The city received its first tranche of ARPA funding, \$70.8 million and allocated nearly 85 percent of the funding for community investments including housing and homelessness, workforce and economic development, and other various community initiatives such as addressing the digital divide and arts and culture.





Legacy Commission: The Legacy Commission engaged in a comprehensive study of street names and monuments in the City of Charlotte that honor a legacy of Confederate soldiers, slaveowners, and segregationists. Over the course of five sessions and completing the study, the Legacy Commission offered several recommendations for the City of Charlotte to consider, including changing the name of nine City streets. The Commission recommended changing street names and reimagining civic spaces to create a new symbolic landscape that is representative of the dynamic and diverse city that Charlotte has become. The new street names became effective between September 2021 and June 2022.

Safe Communities

SAFE Charlotte: In October 2020, after months of work with community stakeholders, City Council adopted six SAFE Charlotte recommendations. The foundation of this holistic work sought to reimagine public safety while also reevaluating systemic issues affecting the community, including unemployment, housing, transportation, and workforce development. Reimagining policing is an ongoing effort to critically analyze and evaluate how to best promote safety in our community, recognizing the job of maintaining a safe Charlotte extends beyond the work of the Charlotte Mecklenburg Police Department. Approved recommendations encompass investing in grassroots community organizations, examining dispatching responses to low-risk 911 calls, providing independent analysis of police-civilian interactions, expanding crisis response and developing a civilian responder model for mental health and homelessness calls, evaluating youth programs, and improving public safety recruitment and associated training programs.

Charlotte will collaborate with community partners, such as Atrium Health to support a Hospital Based Violence Intervention Program. This program will engage with patients who are seen in the emergency room or admitted to the hospital for injuries caused by violence to reduce retaliation and reinjury, and to provide support to improve safer long-term outcomes.

The Office of Equity, Mobility, and Immigrant Integration is working with Youth Advocate Programs, a community organization, to serve as the lead agency implementing Cure Violence Global's violence interruption model in the city's multiple corridors of opportunity.

Enhanced Compensation for First Responders: First responders make up more than 35 percent of the city's workforce. In collaboration with public safety pay plan representatives, a multi-year strategy to grow compensation for first responders was completed in fiscal year 2021. The plan saw certain positions with 20 percent higher pay than in fiscal year 2018. The three-year plan for Fire was completed through the fiscal year 2022 budget with certain positions seeing an increase between 15 to 20 percent compared to 2018.

Transportation, Planning and Environment

Strategic Energy Action Plan: Charlotte continues to act on creating a healthier community and world by investing in the City's Strategic Energy Action Plan (SEAP). The SEAP was developed in partnership with community stakeholders through greenhouse gas emission reduction scenario sessions and targeted engagement. This resulted in a comprehensive framework of internal and external actions, focused on transportation, buildings, energy generation, and workforce development and equity.





In January 2021, Charlotte City Council adopted the updated Sustainable Facilities Policy to align with the Sustainable and Resilient Charlotte by 2050 and the SEAP. The revisions focused on reducing energy consumption in municipal buildings, enabling more rooftop solar on municipal buildings, establishing more electric vehicle charging at municipal parking lots, formalizing a building energy performance benchmarking process, and strengthening the ability to make data driven decisions for future investments.

The fiscal year 2022-2026 CIP included \$13.75 million to improve sustainability in city-owned facilities including \$4.75 million in fiscal year 2022, as well as expanding the city's electric fleet by an additional 22 electric vehicles. The focus on advancing sustainability is a city-wide effort. Aviation began an electric bus campaign in fiscal year 2019 with the first busses coming online in October 2020, and plan to expand their electric bus fleet to 50 busses over the next seven to ten years. Charlotte Area Transit (CATS) launched an 18-month electric bus pilot program in fiscal year 2022 with the first two of 18 busses starting operations in March 2022. CATS now has most of its 18 new electric buses on city roads.

2040 Comprehensive Plan: On June 21, 2021, Charlotte City Council adopted the 2040 Comprehensive Plan – Plan Policy. The Comprehensive Plan is a living document that provides a policy framework that will guide the City's decision-making and investment in both the near and long term. It seeks to address the inequities of the past and unite the city around a shared set of goals for the future. With the 2040 Comprehensive Plan serving as the guide, Charlotte City Council adopted the 2040 Policy Map in March 2022, and the Unified Development Ordinance in August 2022.

The Strategic Mobility Plan, which was adopted by Charlotte City Council in June 2022, is an important step in fulfilling the vision of the 2040 Comprehensive Plan, with the goal to offer everyone in Charlotte safe and equitable mobility choices. The core objectives of the Strategic Mobility Plan are to make mobility options safe, connected, equitable, sustainable, prosperous, and innovative.

Well-Managed Government

Maintaining Service Levels: Charlotte has grown and learned what we as a city are capable of through the COVID-19 pandemic. While keeping employee's health and safety as a top priority, we discovered that some services could not be delivered the same way. The COVID-19 pandemic served as a catalyst to discover new ways for the city to do business both with internal processes and external delivery of services.

Solid Waste Services experienced an increase in residential waste due to residents spending more time at home. The city accelerated investment and training in automated side-loading trucks to help employees social distancing to keep employees and residents safe. Charlotte was also able to launch a new enhanced mobile application CLT+ that helped residents safely and easily request services such as new streetlights and bulk item pick up.

Taking Care of Employees: City front-line employees remained in the community, delivering essential services throughout the pandemic. Precautions to keep these employees safe included providing personal protective equipment, increased sanitation measures, and social distancing guidelines. The city allocated over \$14 million of CARES Act funds to make facility improvements,





such as bipolar ionization technology within the HVAC systems, to ensure that employees feel safe coming to work and residents feel safe accessing services.


The fiscal year 2022 budget included a focus on investing in city employees. Charlotte raised the minimum full time pay to over \$38,000 and provided a merit pool of 3 percent for all nonpublic safety employees, and the continuation of the city's multi-year plan to increase public safety employee pay. Investments in employees included employees benefits as well with the fiscal year 2022 budget reducing employee healthcare premiums by at least five percent and reducing employee healthcare deductibles in eligible plans.

AWARDS AND ACKNOWLEDGMENTS

For the 37th 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, 2021. 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 2022 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 eighth consecutive year, the Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to City of Charlotte, North Carolina, for its Annual Budget for the fiscal year beginning July 1, 2021. 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.

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



Teresa Smith
Chief Financial Officer





Government Finance Officers Association

Certificate of
Achievement
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**City of Charlotte
North Carolina**

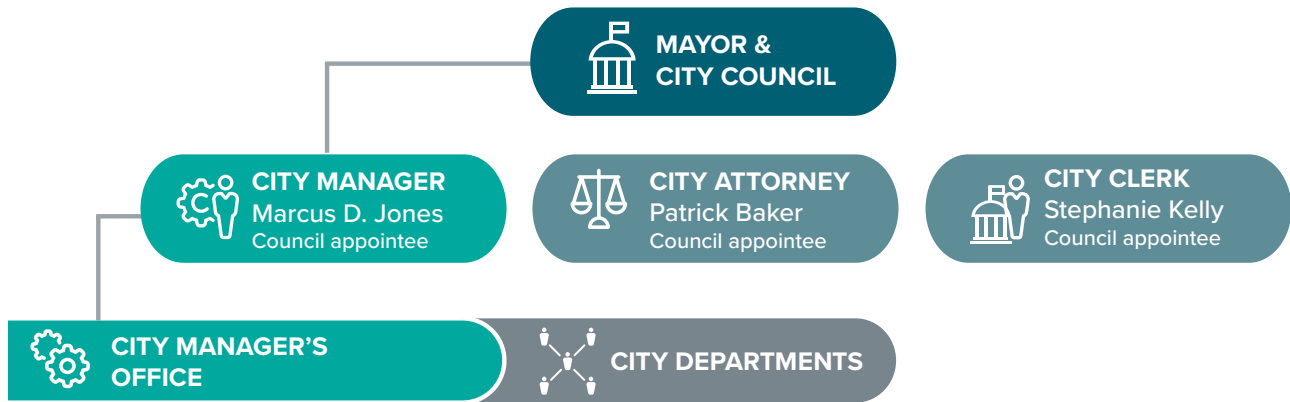
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

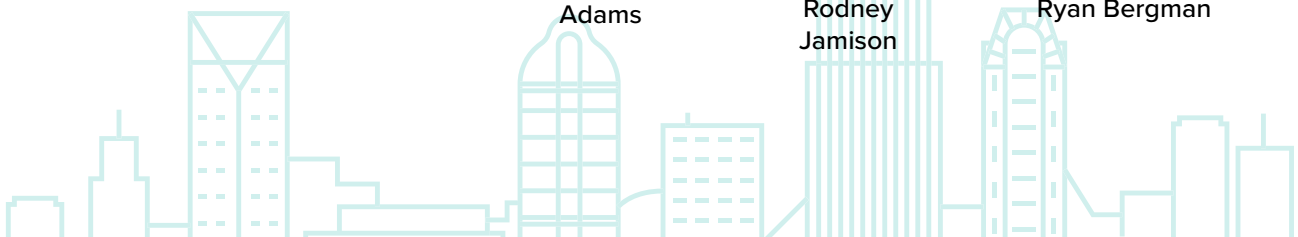
Christopher P. Morill

Executive Director/CEO

CITY OF CHARLOTTE ORGANIZATION



Assistant City Manager Reenie Askew Innovation and Community Vitality	AVIATION DEPARTMENT Haley Gentry	CHARLOTTE AREA TRANSIT SYSTEM John Lewis, Jr.	CHARLOTTE COMMUNICATION & MARKETING Jason Schneider
Assistant City Manager Liz Babson Mobility, Planning, Transit & Transportation	CHARLOTTE DEPARTMENT OF TRANSPORTATION Debbie Smith	CHARLOTTE FIRE DEPARTMENT Chief Reginald Johnson	CHARLOTTE PLANNING, DESIGN & DEVELOPMENT Alyson Craig <i>(interim)</i>
Assistant City Manager Brent Cagle Finance & Administration	CHARLOTTE-MECKLENBURG POLICE DEPT. Chief Johnny Jennings	COMMUNITY RELATIONS Willie Ratchford	CHARLOTTE WATER Angela Charles
Assistant City Manager Tracy Dodson Business & Economic Growth	ECONOMIC DEVELOPMENT Tracy Dodson	GENERAL SERVICES Phil Reiger	FINANCE Teresa Smith
	HOUSING & NEIGHBORHOOD SERVICES Shawn Heath	HUMAN RESOURCES Sheila Simpson	INNOVATION & TECHNOLOGY Reenie Askew
	INTERNAL AUDIT Tina Adams	SOLID WASTE SERVICES Rodney Jamison	STRATEGY & BUDGET Ryan Bergman





Financial Section

Annual Comprehensive Financial Report 2022



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, 2022, 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, 2022, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective 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”). Those statements were audited by other auditors whose report thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the CRVA, is based solely on the reports 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 that 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 Note 6(j), the City had two restatements to its June 30, 2021 financial statements. Our opinions on the June 30, 2022 financial statements are not modified with respect to these matters.

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 12 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 (MD&A) 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 statement and schedules and the schedule of expenditures of federal and state awards as required by Title 2 U.S. *Code of Federal Regulations (CFR)* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"), and State Single Audit Implementation Act, 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. In our opinion, the combining and individual fund statement and schedules and the schedule of expenditures of federal and state awards 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 November 4, 2022, 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 the City's internal control over financial reporting and compliance.

Cherry Bekaert LLP

Charlotte, North Carolina
November 4, 2022



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Management's Discussion and Analysis

Annual Comprehensive Financial Report 2022

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, 2022. 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.

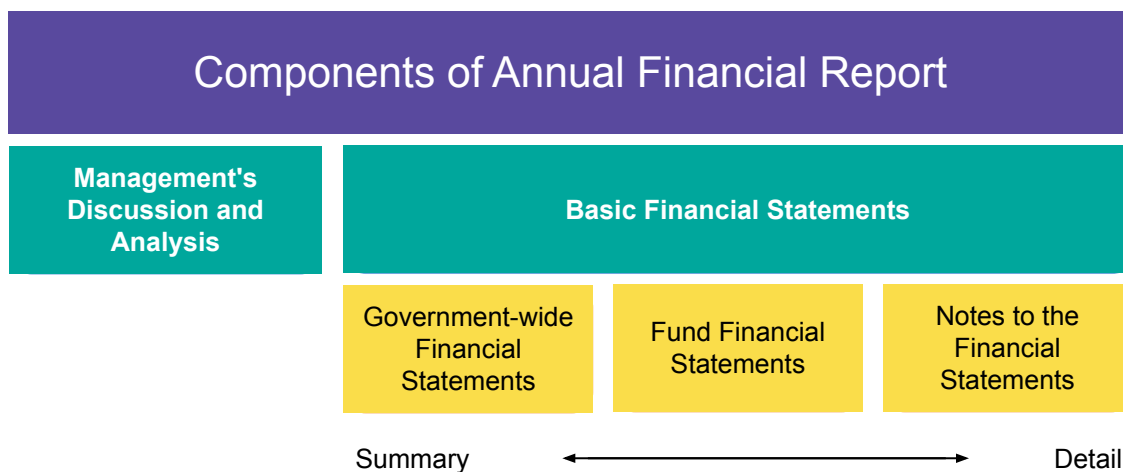
FINANCIAL HIGHLIGHTS

- 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 \$12,485.0 (net position). Of this amount, \$756.3 (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 2022 as evidenced by an increase in total net position of \$519.3. This increase was from business-type activities (\$486.7) and an increase in governmental activities (\$32.6).
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$1,006.9, an increase of \$208.4 in comparison with the prior year. This increase resulted from decreased expenditures related to COVID-19 relief and an increase in funding from the American Rescue Plan Act.
- Unassigned fund balance in the General fund was \$125.6 at June 30, 2022 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 2022. The amount exceeding the City Council's goal of 16 percent, \$13.4, is committed.
- 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 87, Leases. The implementation of this standard requires reporting of leased assets and liabilities that were previously classified as operating leases, and recognizing leases as inflows and outflows of resources based on the lease contract.

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 19-21) 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 22-39) 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 45-102). 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 104-160) 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 \$12,485.0 at the close of the most recent fiscal year. A summary of the City's net position at June 30, 2022 and 2021 is presented below.

Net Position						
	Governmental Activities		Business-type Activities		Total Primary Government	
	2022	2021	2022	2021	2022	2021
Current and other assets	\$ 1,372.2	\$ 1,122.3	\$ 2,327.4	\$ 1,938.2	\$ 3,699.6	\$ 3,060.5
Capital assets	6,653.8	6,689.6	9,345.8	8,573.9	15,999.6	15,263.5
Total assets	8,026.0	7,811.9	11,673.2	10,512.1	19,699.2	18,324.0
Deferred outflows of resources	760.1	771.3	88.9	92.6	849.0	863.9
Current and other liabilities	301.7	252.0	408.0	243.6	709.7	495.6
Noncurrent liabilities	2,401.3	2,809.5	3,790.5	3,512.7	6,191.8	6,322.2
Total liabilities	2,703.0	3,061.5	4,198.5	3,756.3	6,901.5	6,817.8
Deferred inflows of resources	885.1	375.7	276.6	71.2	1,161.7	446.9
Net position:						
Net investment in capital assets	5,076.9	5,223.1	5,871.0	5,234.7	10,947.9	10,457.8
Restricted	321.8	292.9	459.0	416.7	780.8	709.6
Unrestricted	(200.7)	(370.0)	957.0	1,125.8	756.3	755.8
Total net position	\$ 5,198.0	\$ 5,146.0	\$ 7,287.0	\$ 6,777.2	\$ 12,485.0	\$ 11,923.2

By far the largest portion of the City's net position (88 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 (6 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$756.3) 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 \$561.8 (including a restatement) 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, 2022 and 2021.

	Change in Net Position					
	Governmental Activities		Business-type Activities		Total Primary Government	
	2022	2021	2022	2021	2022	2021
Revenues						
Program revenues:						
Fees, fines and charges for services	\$ 159.2	\$ 141.4	\$ 987.5	\$ 776.6	\$ 1,146.7	\$ 918.0
Operating grants and contributions	99.9	219.9	120.4	164.9	220.3	384.8
Capital grants and contributions	38.0	26.6	226.6	202.6	264.6	229.2
General revenues:						
Property taxes	531.2	523.3	-	-	531.2	523.3
Other taxes	354.4	285.8	139.2	116.7	493.6	402.5
Grants and contributions not restricted to specific programs	33.8	23.0	-	-	33.8	23.0
Other	(4.1)	(1.6)	(12.3)	(0.5)	(16.4)	(2.1)
Gain on early defeasance of debt	-	4.2	-	-	-	4.2
Total revenues	1,212.4	1,222.6	1,461.4	1,260.3	2,673.8	2,482.9
Program expenses						
Public safety	500.6	591.6	-	-	500.6	591.6
Sanitation	73.8	78.6	-	-	73.8	78.6
General administration	57.9	81.7	-	-	57.9	81.7
Support services	55.0	55.7	-	-	55.0	55.7
Engineering and property management	35.7	54.3	-	-	35.7	54.3
Streets and highways	69.4	96.8	-	-	69.4	96.8
Culture and recreation	55.6	59.3	-	-	55.6	59.3
Community planning and development	124.4	193.4	-	-	124.4	193.4
Business-type grant related	3.3	0.8	-	-	3.3	0.8
Interest and other charges	43.5	48.4	-	-	43.5	48.4
Water	-	-	237.3	170.5	237.3	170.5
Sewer	-	-	240.4	178.8	240.4	178.8
Storm Water	-	-	41.2	37.4	41.2	37.4
Airport	-	-	367.4	299.7	367.4	299.7
Public Transit	-	-	249.0	265.2	249.0	265.2
Total expenses	1,019.2	1,260.6	1,135.3	951.6	2,154.5	2,212.2
Excess (deficit) before transfers	193.2	(38.0)	326.1	308.7	519.3	270.7
Transfers	(160.6)	(25.5)	160.6	25.5	-	-
Increase (decrease) in net position	32.6	(63.5)	486.7	334.2	519.3	270.7
Net position - beginning	5,146.0	5,209.5	6,777.2	6,443.0	11,923.2	11,652.5
Restatement	19.4	-	23.1	-	42.5	-
Net position - ending	\$ 5,198.0	\$ 5,146.0	\$ 7,287.0	\$ 6,777.2	\$ 12,485.0	\$ 11,923.2

Total government-wide revenues of \$2,673.8 were derived primarily from fees, fines, and charges for services (43 percent) and property and other taxes (38 percent). These sources of revenues increased 17.8 percent from the prior year.

The total expenses of all programs were \$2,154.5. The expenses cover a range of services with the two largest being transportation (streets and highways, airport and public transit) for 32 percent and public safety (fire and police) for 23 percent.

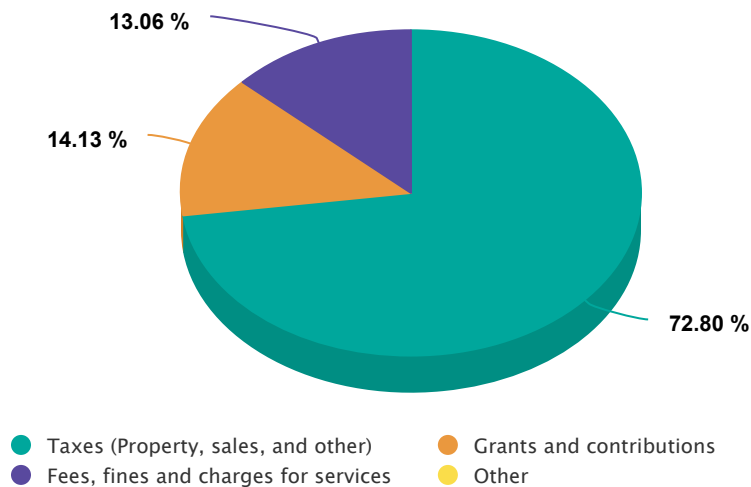
Governmental Activities

As shown in the chart, property, sales and other taxes (73 percent) and grants and contributions (14 percent) were the major sources of revenues for governmental activities.

Governmental revenues decreased by \$10.2 compared to the prior year with increases in all major sources of revenue with the exception of operating grants and contributions which decreased by \$120.0. This decrease can be attributed to the reduction in assistance from CARES Act Coronavirus Relief Fund compared to the prior year.

Governmental expenses decreased from \$1,260.6 to \$1,019.2 during this fiscal year. While a large portion of this can be attributed to a decrease in Public Safety expenses related to pension and other post-employment benefits (\$82.7), the majority of the decline is due to a decrease in expenditures necessitated by the COVID-19 pandemic and funded by the CARES Act.

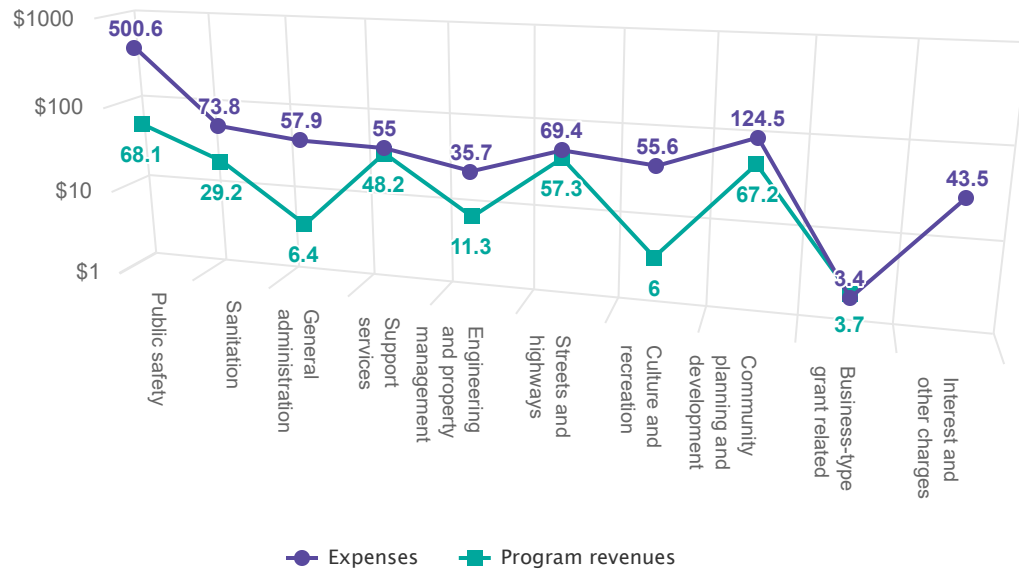
Governmental Revenues by Source



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

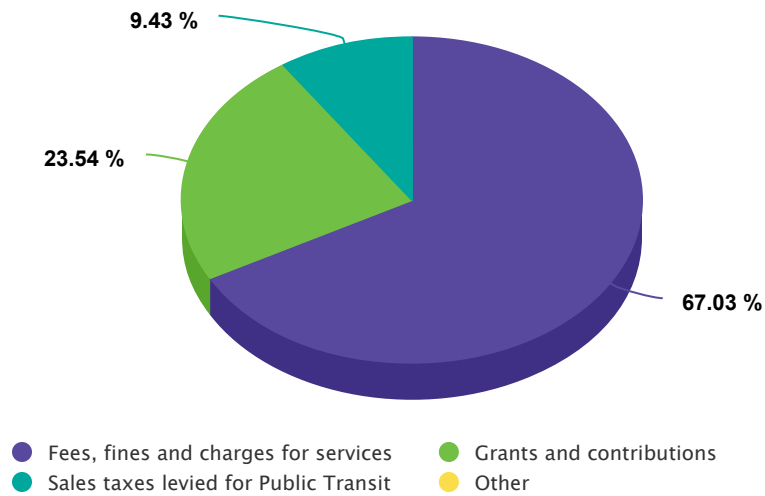


In addition to property and other taxes, the total cost of services of \$1,019.2 was supported by \$137.9 provided by other governments and organizations for specific programs and \$159.2 provided by fees, fines and charges from those who directly benefited from the programs.

Business-type Activities

Revenues for the business-type activities were \$1,461.4, an increase of 16 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 \$403.7, a 71.1 percent increase from the prior year largely due to the increase in customers traveling now that there are increased vaccinations and safety protocols implemented for COVID-19.

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 \$183.7 over the prior year, which is attributed to increases in salary and benefits as well as a \$80.0 capacity fees lawsuit with Charlotte Water.

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, 2022, the governmental funds reported a combined fund balance of \$1,006.9, an increase of \$208.4, including a restatement of \$19.4, or 26 percent, from last year. This amount consists of the following:

- (a) \$5.6 non-spendable for inventories, perpetual care, and prepaid items,



- (b) \$318.5 restricted for State Statute and specific programs,
- (c) \$467.0 committed primarily for capital projects,
- (d) \$90.1 assigned for debt service, and
- (e) \$125.6 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 \$125.6, while total fund balance reached \$212.5. 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. At June 30, 2022, \$13.4 is committed for capital projects.

Other major governmental funds are the debt service, capital projects, and general COVID relief funds. The debt service fund has a total fund balance of \$202.0, all of which will be used for either the payment of debt service or is restricted by State Statute. Debt service fund balance increased \$18.6 from the prior year due in part to issuance of debt to fund equipment purchases. The capital projects fund has a total fund balance of \$363.8, almost all of which is committed for future capital projects. Capital project fund balance increased \$151.7 from the prior year. The general COVID relief fund has a total fund balance of \$77.0, all of which is restricted for public safety expenditures.

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 \$152.2 in the Water and Sewer fund, \$75.8 in the Storm Water fund, \$487.3 in the Airport fund and \$249.3 in the Public Transit fund. The changes in net position for the funds were \$183.9, \$43.1, \$136.7 and \$153.6 (including a restatement), 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 \$18.7 over the final budgeted amount. Sales, utilities sales, and other taxes were \$18.8 more than expected due to federal stimulus funds used to mitigate the effects of the pandemic on consumers and boost the economy.

The fiscal 2022 budget increased 4.4 percent over the fiscal 2021 budget to address the Mayor and Council's priorities, including neighborhood improvements, community safety, and economic growth locally and globally through business developments. The two largest revenue sources in the general fund are property tax and sales tax which comprise 70.7 percent of total revenue.

Actual expenditures were \$4.7 below final budget amounts for fiscal year 2022. This discipline in spending has been part of the City's strategy over the last few years of maintaining strong reserves, being structurally balanced, having a long-term strategy for infrastructure, and protecting core services from volatile revenue, which has allowed successful management through the shocks of COVID-19.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. At June 30, 2022, the City had \$15,999.6 (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 \$736.2, or 4.8 percent over last year. The following is a summary of capital assets at June 30, 2022 and 2021:

Capital Assets							
(Net of Depreciation)							
	Governmental Activities		Business-type Activities		Total Primary Government		
	2022	2021	2022	2021	2022	2021	
Land	\$ 3,655.5	\$ 3,612.1	\$ 632.3	\$ 633.9	\$ 4,287.8	\$ 4,246.0	
Buildings	1,009.7	898.3	1,039.8	1,034.4	2,049.5	1,932.7	
Improvements other than buildings	-	-	6,413.1	5,724.3	6,413.1	5,724.3	
Infrastructure	1,658.8	1,609.3	-	-	1,658.8	1,609.3	
Intangibles	7.2	8.6	23.7	25.4	30.9	34.0	
Machinery and equipment	81.1	80.7	367.1	316.1	448.2	396.8	
Construction in progress	229.8	480.5	857.6	839.8	1,087.4	1,320.3	
Leased land	-	-	10.8	-	10.8	-	
Leased buildings	10.6	-	-	-	10.6	-	
Leased machinery and equipment	1.1	-	1.4	-	2.5	-	
Totals	\$ 6,653.8	\$ 6,689.5	\$ 9,345.8	\$ 8,573.9	\$ 15,999.6	\$ 15,263.4	

This year's major capital asset additions included:

- CityLynx Gold Line – \$132.6
- Convention Center Expansion - \$124.2
- Long Creek Waste Water Treatment Plant - \$37.9
- McAlpine Aeration & Clarifier Rehab - \$34.3

At June 30, 2022, authorized and unexpended capital projects totaled \$2,840.2 as follows: Governmental \$1,032.8, Water and Sewer \$674.3, Storm Water \$124.2, Airport \$682.3, and Public Transit \$326.6. 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, 2022, the City had \$5,336.2 of debt outstanding in bonds, installment purchases, derivative instrument liability, and other financing agreements. This was an increase of \$420.6 over last year. Details by type of debt are presented in the following table:

	Outstanding Debt					
	Governmental Activities		Business-type Activities		Total Primary Government	
	2022	2021	2022	2021	2022	2021
General obligation bonds (backed by the City's taxing authority)	\$ 780.1	\$ 694.2	\$ 8.4	\$ 15.9	\$ 788.5	\$ 710.1
Revenue bonds (backed by specific fee revenues)	-	-	3,088.7	2,860.0	3,088.7	2,860.0
Direct placement installment purchases	675.8	597.8	290.9	168.0	966.7	765.8
Direct placement general obligation bond anticipation notes	90.5	136.6	-	-	90.5	136.6
Direct placement revenue bond anticipation notes	-	-	263.3	119.3	263.3	119.3
Derivative instrument liability	17.7	39.2	15.6	35.2	33.3	74.4
Swaption borrowing payable	4.2	4.7	-	-	4.2	4.7
Direct borrowing TIFIA loan agreement	-	-	-	168.4	-	168.4
Direct borrowing section 108 loan guarantee	-	2.8	-	-	-	2.8
Direct borrowing loans and other financing agreements	-	-	87.8	73.5	87.8	73.5
Leases	11.8	-	1.4	-	13.2	-
Totals	\$ 1,580.1	\$ 1,475.3	\$ 3,756.1	\$ 3,440.3	\$ 5,336.2	\$ 4,915.6

New debt for 2022 resulted from issuing revenue bonds (\$372.9) for refunding debt, bond anticipation notes (\$362.9) and installment purchases (\$282.3) .

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 \$5,336.2 arises from both governmental and business-type activities. The largest portion of debt is revenue bonds, 57.9 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, 2022 was \$9.8 billion. The City had \$472.2 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 2022, 26,111 building permits were issued with a value of over \$7.4 billion compared to 25,871 permits for 2021.
- Retail sales during fiscal year 2022 were \$31.0 billion compared to \$26.1 billion for fiscal year 2021. Sales tax revenue is projected to fall by 8.5 percent next year due to decline in economic activity.
- The June 2022 unemployment rate was 3.9 percent compared to 4.1 percent for the State and 3.8 percent for the nation. As of March 2022, employment stood at 4.69 million, about 67,600 jobs above the pre-pandemic high of February 2020. The state's economy has continued to add jobs since May 2020, adding an average of about 30,000 jobs per month.
- Assessed property valuations are expected to exceed \$155.2 billion for 2023 compared to \$151.2 billion for 2022, or an increase of 2.6 percent.

The fiscal 2023 operating budget is \$1,875.9, an increase of 8.5 percent over fiscal year 2022. The development of the 2023 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 2023 General fund budget increased by \$33.8 to \$784.8 and reflects a 4.5 percent increase from fiscal year. The two largest revenue sources in the General fund are property tax and sales tax which comprise approximately 70.6 percent of total revenue.

The following are highlights for the 2023 budgets for the business-type activities:

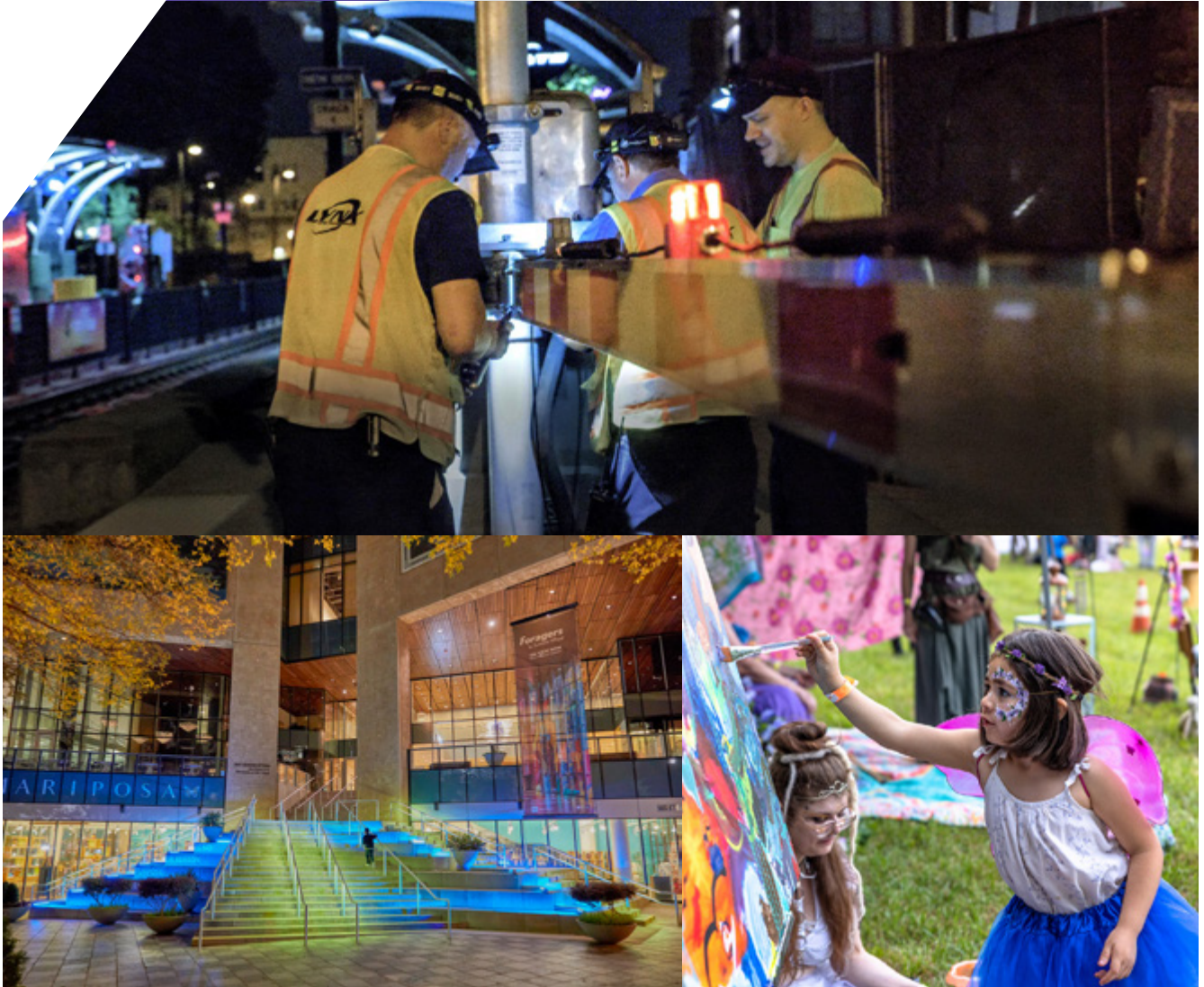
- The Water and Sewer budget is \$195.7, a 9.9 percent increase over 2022, and includes an increase of \$16.8 to adjust the cash transfer to capital projects based on Charlotte Water's financial planning and capital project schedule.
- The Storm Water budget is \$24.5, a 9.4 percent increase from 2022 and includes a reduction of \$7.8 to adjust cash transfers to capital projects based on Storm Water's financial planning and capital project schedule .
- The Airport budget is \$224.9, a 20.2 percent increase from 2022, and includes an increase of \$9.3 in funds for activity-based contracts to restore funding for service contracts that were reduced in 2021 due to the impact COVID-19 had on passenger operations. The budget also includes an increase of 18.3 for purchase of fuel for fixed base operations based upon anticipated usage.
- The Public Transit budget is \$211.1, a 13.6 percent increase over 2022, and includes an increase of \$13.8 to adjust transfer to Debt Service Reserve Fund.

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.



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Basic Financial Statements

Annual Comprehensive Financial Report 2022

CITY OF CHARLOTTE, NORTH CAROLINA
STATEMENT OF NET POSITION
June 30, 2022
(Dollar Amounts in Thousands)

	Primary Government			Component Unit Charlotte Regional Visitors Authority
	Governmental Activities	Business-type Activities	Total	
Assets:				
Cash, cash equivalents and investments	\$ 928,566	\$ 1,168,470	\$ 2,097,036	\$ 31,783
Receivables, net	15,046	122,966	138,012	4,595
Lease receivables, net	11,198	174,949	186,147	504
Due from other governmental agencies	134,428	91,300	225,728	878
Due from component unit	2,291	-	2,291	-
Due from primary government	-	-	-	884
Internal balances	7,053	(7,053)	-	-
Inventories	1,889	20,274	22,163	468
Prepaid items	2,399	2,437	4,836	577
Restricted assets:				
Temporarily restricted-				
Cash and cash equivalents	656	324,226	324,882	-
Investments	107,103	410,359	517,462	-
Permanently restricted-				
Cash, cash equivalents and investments	3,222	-	3,222	-
Notes receivable	158,311	-	158,311	-
Restricted Net OPEB asset (Note 5.f.)	-	19,506	19,506	-
Capital assets (Note 4.f.)				
Land	3,655,546	632,270	4,287,816	-
Buildings, improvements, infrastructure, intangibles, and machinery and equipment, net	2,756,814	7,843,750	10,600,564	-
Construction in progress	229,793	857,574	1,087,367	-
Right to use leased assets, net of amortization	11,611	12,174	23,785	955
Total assets	8,025,926	11,673,202	19,699,128	40,644
Deferred Outflows Of Resources:				
Pension deferrals (Note 5)	532,829	32,815	565,644	3,489
OPEB deferrals (Note 5.f.)	149,095	18,102	167,197	4,775
Contributions to pension plan in current fiscal year (Note 5)	58,424	16,850	75,274	1,518
Accumulated decrease in fair value of hedging derivatives	17,696	15,557	33,253	-
Loss on refundings	529	-	529	-
Unamortized bond refunding charges	1,502	5,603	7,105	-
Total deferred outflows of resources	760,075	88,927	849,002	9,782
Liabilities:				
Accounts payable/claims payable	119,161	219,172	338,333	9,001
Deposits and retainage payable	5,802	24,569	30,371	7,243
Accrued interest payable	9,785	27,953	37,738	-
Due to component unit	841	43	884	-
Due to primary government	-	-	-	2,291
Unearned revenues	131,603	17,268	148,871	-
Liabilities payable from restricted assets	34,478	118,928	153,406	-
Noncurrent liabilities:				
Due within one year	150,283	121,219	271,502	-
Due after one year-				
Net pension liability (Note 5)	390,365	32,094	422,459	3,672
Total OPEB liability (Note 5.f.)	346,085	5,532	351,617	23,251
Bonds, notes, claims and compensated absences	1,514,483	3,631,649	5,146,132	2,090
Total liabilities	2,702,886	4,198,427	6,901,313	47,548
Deferred Inflows Of Resources:				
Leases	11,041	173,437	184,478	692
Prepaid taxes	264	-	264	-
Pension deferrals (Note 5)	660,779	45,854	706,633	5,559
OPEB deferrals (Note 5.f.)	183,799	22,315	206,114	6,591
Gain on refundings	29,266	35,021	64,287	-
Total deferred inflows of resources	885,149	276,627	1,161,776	12,842
Net Position:				
Net investment in capital assets	5,076,927	5,871,041	10,947,968	-
Restricted for:				
State statute	93,472	-	93,472	-
Debt service	-	105,720	105,720	-
Perpetual care - Nonexpendable	3,222	-	3,222	-
Other purposes (Note 1.d.(10))	225,076	-	225,076	-
Passenger facility charges	-	273,582	273,582	-
Contract facility charges	-	11,598	11,598	-
Airport working capital	-	48,609	48,609	-
Net OPEB asset (Note 5.f.)	-	19,506	19,506	-
Unrestricted (deficit)	(200,731)	957,019	756,288	(9,964)
Total net position	\$ 5,197,966	\$ 7,287,075	\$ 12,485,041	\$ (9,964)

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



FINANCIAL SECTION

Basic Financial Statements

CITY OF CHARLOTTE, NORTH CAROLINA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022
(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	\$ 500,627	\$ 49,056	\$ 14,864	\$ 4,204
Sanitation	73,793	27,878	1,313	-
General administration	57,872	2,830	3,523	61
Support services	54,953	48,022	185	-
Engineering and property management	35,708	9,598	1,527	141
Streets and highways	69,372	7,387	17,645	32,315
Culture and recreation	55,606	3,065	2,948	-
Community planning and development	124,455	11,401	54,569	1,248
Business-type grant related	3,369	-	3,369	-
Interest and other charges	43,466	-	-	-
Total governmental	1,019,221	159,237	99,943	37,969
Business-type-				
Water	237,265	193,947	-	47,244
Sewer	240,409	305,192	-	111,802
Storm water	41,206	84,617	-	-
Airport	367,439	390,711	82,677	42,039
Public transit	248,945	13,036	37,685	25,446
Total business-type	1,135,264	987,503	120,362	226,531
Total primary government	\$ 2,154,485	\$ 1,146,740	\$ 220,305	\$ 264,500
Component Unit:				
Charlotte Regional Visitors Authority	\$ 74,845	\$ 42,082	\$ 6,898	\$ -
General revenues:				
Taxes-				
Property				
Sales				
Sales, levied for Public transit				
Utility franchise				
Occupancy				
Prepared foods				
Business privilege				
Municipal vehicle				
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, previously reported				
Restatement (Note 6.j.)				
Net position - beginning				
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
\$ (432,503)	\$ -	\$ (432,503)	\$ -
(44,602)	-	(44,602)	-
(51,458)	-	(51,458)	-
(6,746)	-	(6,746)	-
(24,442)	-	(24,442)	-
(12,025)	-	(12,025)	-
(49,593)	-	(49,593)	-
(57,237)	-	(57,237)	-
-	-	-	-
(43,466)	-	(43,466)	-
(722,072)	-	(722,072)	-
-	3,926	3,926	-
-	176,585	176,585	-
-	43,411	43,411	-
-	147,988	147,988	-
-	(172,778)	(172,778)	-
-	199,132	199,132	-
(722,072)	199,132	(522,940)	-
-	-	-	(25,865)
531,207	-	531,207	-
182,939	-	182,939	-
-	139,226	139,226	-
51,905	-	51,905	-
58,548	-	58,548	-
42,646	-	42,646	-
12	-	12	-
18,381	-	18,381	-
-	-	-	35,360
33,801	-	33,801	-
(5,473)	(16,741)	(22,214)	72
1,353	4,389	5,742	160
(160,625)	160,625	-	-
754,694	287,499	1,042,193	35,592
32,622	486,631	519,253	9,727
5,145,985	6,777,246	11,923,231	(22,469)
19,359	23,198	42,557	2,778
5,165,344	6,800,444	11,965,788	(19,691)
\$ 5,197,966	\$ 7,287,075	\$ 12,485,041	\$ (9,964)

FINANCIAL SECTION

Basic Financial Statements

CITY OF CHARLOTTE, NORTH CAROLINA

BALANCE SHEET

GOVERNMENTAL FUNDS

June 30, 2022

(Dollar Amounts in Thousands)

	General	Debt Service	Capital Projects	General COVID Relief	Other Governmental Funds	Total Governmental Funds
Assets:						
Cash, cash equivalents and investments	\$ 197,323	\$ 181,301	\$ 200,243	\$ 2,130	\$ 240,690	\$ 821,687
Receivables, net:						
Property taxes	6,867	1,715	198	-	95	8,875
Accounts	4,620	-	32	-	15	4,667
Lease receivable	11,111	-	28	-	59	11,198
Other	23	-	-	117	-	140
Total receivables	22,621	1,715	258	117	169	24,880
Due from other governmental agencies	59,018	8,756	25,722	6,132	34,790	134,418
Due from other funds	6	11,348	-	-	-	11,354
Due from component unit	-	1,993	298	-	-	2,291
Inventories	-	-	1,889	-	-	1,889
Prepaid items	18	-	-	-	304	322
Restricted assets:						
Cash and cash equivalents	-	613	43	-	-	656
Investments	-	34	43,011	2	64,056	107,103
Total restricted assets	-	647	43,054	2	64,056	107,759
Notes receivable	-	-	134,835	-	23,476	158,311
Total assets	\$ 278,986	\$ 205,760	\$ 406,299	\$ 8,381	\$ 363,485	\$ 1,262,911
Liabilities, deferred inflows of resources and fund balances						
Liabilities:						
Accounts payable	\$ 38,153	\$ 43	\$ 564	\$ 303	\$ 4,973	\$ 44,036
Deposits and retainage payable	5,167	-	-	-	635	5,802
Due to other funds	448	-	6,226	5,533	6	12,213
Due to component unit	-	-	698	-	143	841
Unearned revenues	-	-	-	2,351	128,925	131,276
Liabilities payable from restricted assets	-	-	34,478	-	-	34,478
Total liabilities	43,768	43	41,966	8,187	134,682	228,646
Deferred inflows of resources:						
Leases	10,953	-	30	-	58	11,041
Prepaid taxes	264	-	-	-	-	264
Unavailable revenues	11,517	3,708	528	117	221	16,091
Total deferred inflows of resources	22,734	3,708	558	117	279	27,396
Fund balances:						
Nonspendable:						
Inventories	-	-	1,889	-	-	1,889
Leases	181	-	(2)	-	1	180
Perpetual care	-	-	-	-	3,222	3,222
Prepaid items	18	-	-	-	304	322
Restricted:						
State statute	73,364	20,108	-	-	-	93,472
Other purposes (Note 1.d.(10))	-	-	-	77	224,999	225,076
Committed:						
Capital projects	13,353	-	361,888	-	-	375,241
Other purposes (Note 1.d.(10))	-	91,781	-	-	-	91,781
Assigned:						
Debt service	-	90,120	-	-	-	90,120
Unassigned (Note 1.d.(10))	125,568	-	-	-	(2)	125,566
Total fund balances	212,484	202,009	363,775	77	228,524	1,006,869
Total liabilities, deferred inflows of resources and fund balances	\$ 278,986	\$ 205,760	\$ 406,299	\$ 8,381	\$ 363,485	\$ 1,262,911

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, 2022
(Dollar Amounts in Thousands)

Total fund balances for governmental funds	\$	1,006,869
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.		6,642,148
Right to use lease assets used in governmental activities are not financial resources and therefore are not reported in the funds.		11,605
Contributions to pension plans in the current fiscal year are deferred outflows of resources.		58,253
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.		7,523
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.		31,303
Noncurrent liabilities are not due and payable in the current period and, therefore, are not reported in the funds. (Note 2.a.)		(1,662,056)
Net pension liability		(390,040)
Pension related deferrals		(127,818)
Net OPEB liability		(345,200)
OPEB related deferrals		(34,621)
Total net position of governmental activities	\$	<u>5,197,966</u>

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

FINANCIAL SECTION

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, 2022

(Dollar Amounts in Thousands)

	General	Debt Service	Capital Projects	General COVID Relief	Other Governmental Funds	Total Governmental Funds
Revenues:						
Property taxes	\$ 412,862	\$ 102,090	\$ 10,962	\$ -	\$ 7,630	\$ 533,544
Other taxes	131,881	30,330	35,908	-	105,758	303,877
Intergovernmental	106,774	-	26,884	15,013	84,067	232,738
Licenses, fees and fines	41,516	57	18,329	-	-	59,902
Investment earnings	(2,169)	(2,310)	(2,210)	16	504	(6,169)
Administrative charges	57,971	-	-	-	-	57,971
Charges for current services	13,440	-	822	-	73	14,335
Miscellaneous	2,366	160	757	-	9,620	12,903
Private contributions	-	-	2,915	-	-	2,915
Total revenues	764,641	130,327	94,367	15,029	207,652	1,212,016
Expenditures:						
Current-						
Public safety	455,788	-	-	1,125	14,071	470,984
Sanitation	69,155	-	-	241	398	69,794
General administration	57,847	-	-	36	4,956	62,839
Support services	53,088	-	-	58	127	53,273
Engineering and property management	21,646	-	-	486	309	22,441
Streets and highways	35,913	-	-	-	17,138	53,051
Culture and recreation	-	-	-	-	35,362	35,362
Community planning and development	40,744	-	-	13,111	55,890	109,745
Business-type grant funded	-	-	-	-	3,369	3,369
Debt service-						
Principal	2,082	250,111	-	-	117	252,310
Interest and other charges	113	56,390	-	-	1	56,504
Capital outlay	-	-	199,733	-	-	199,733
Total expenditures	736,376	306,501	199,733	15,057	131,738	1,389,405
Excess (deficiency) of revenues over (under) expenditures	28,265	(176,174)	(105,366)	(28)	75,914	(177,389)
Other Financing Sources (Uses):						
Sales of capital assets	1,229	-	-	-	322	1,551
General obligation bonds issued	-	85	103,858	-	-	103,943
Installment purchases issued	-	-	107,600	-	-	107,600
Refunding debt issued	-	133,035	-	-	-	133,035
Premium on debt issuance	-	18,385	14,906	-	-	33,291
Lease liabilities issued	13,776	-	-	-	202	13,978
Transfers in	4,797	86,415	57,400	-	15,543	164,155
Transfers out	(32,597)	(43,170)	(46,074)	-	(69,279)	(191,120)
Total other financing sources (uses)	(12,795)	194,750	237,690	-	(53,212)	366,433
Net change in fund balances	15,470	18,576	132,324	(28)	22,702	189,044
Fund balances - beginning	197,014	183,433	212,092	105	205,822	798,466
Restatement (Note 6.k.)	-	-	19,359	-	-	19,359
Fund balances - ending	\$ 212,484	\$ 202,009	\$ 363,775	\$ 77	\$ 228,524	\$ 1,006,869

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, 2022

(Dollar Amounts in Thousands)

Net change in fund balances - total governmental funds	\$	189,044
The change in net position reported for governmental activities in the statement of activities is different because:		
Governmental funds report capital outlays and right to use leased asset 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 expense and amortization expense, respectively. This is the amount by which capital outlays exceeded depreciation and amortization expense in the current period. (Note 2.b.)		35,264
Contributions to the pension plan in the current fiscal year are not included on the statement of activities.		58,253
The net effect of various miscellaneous transactions involving capital assets (i.e., sales and donations) is to decrease net position. (Note 2.b.)		(71,051)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(3,131)
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 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.)		(136,280)
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.)		(25,922)
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.		(13,555)
Change in net position of governmental activities	\$	<u>32,622</u>

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

FINANCIAL SECTION

Basic Financial Statements

CITY OF CHARLOTTE, NORTH CAROLINA
STATEMENT OF BUDGETARY COMPARISON (NON-GAAP BASIS)
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2022
(Dollar Amounts in Thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive
				(Negative)
Revenues:				
Property taxes	\$ 413,177	\$ 413,177	\$ 412,862	\$ (315)
Sales tax	107,880	107,880	130,952	23,072
Other taxes	4,978	4,978	929	(4,049)
Utilities sales tax	52,173	52,173	51,905	(268)
CATV franchises	6,761	6,761	6,923	162
Other intergovernmental	46,512	46,512	47,946	1,434
Refuse fees	27,234	27,234	27,485	251
Other licenses, fees and fines	13,664	13,664	14,031	367
Investment earnings	1,280	1,280	(2,169)	(3,449)
Administrative charges	57,390	57,390	57,971	581
Charges for current services	12,528	12,528	13,418	890
Miscellaneous	2,475	2,475	2,207	(268)
Sales of capital assets	935	935	1,229	294
Transfers in-				
Debt Service	123	123	123	-
Special Revenue:				
Convention Center Tax	3,570	4,663	4,663	-
Perpetual Care	40	40	11	(29)
Total transfers in	3,733	4,826	4,797	(29)
Resources available for appropriation	750,720	751,813	770,486	\$ 18,673
Fund balance appropriated (contributed)	-	22,477	(920)	
Total amounts available for appropriation	\$ 750,720	\$ 774,290	\$ 769,566	
Expenditures:				
Public safety	\$ 446,973	\$ 450,081	\$ 457,539	\$ (7,458)
Sanitation	73,212	75,362	72,645	2,717
General administration	51,154	53,042	51,603	1,439
Support services	53,143	53,891	53,393	498
Engineering and property management	22,943	23,163	22,872	291
Streets and highways	38,047	39,342	37,415	1,927
Community planning and development	43,841	46,812	41,502	5,310
Transfers out-				
Debt Service	19,665	19,665	19,665	-
Capital Projects	-	8,853	8,853	-
Special Revenue:				
Tourism	1,290	2,557	2,557	-
Public Safety and Other Grants	452	1,477	1,477	-
Neighborhood Development	-	20	20	-
Enterprise - Public Transit	-	25	25	-
Total transfers out	21,407	32,597	32,597	-
Total charges to appropriations	\$ 750,720	\$ 774,290	\$ 769,566	\$ 4,724

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, 2022
(Dollar Amounts in Thousands)

Sources (inflows) of resources:

Actual amounts (budgetary basis) "available for appropriation" from the statement of budgetary comparison	\$	769,566
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.		920
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.		22
Interest revenue recognized on the GASB 87 lease receivable is included as miscellaneous revenue for financial reporting purposes.		159
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes.		(4,797)
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.		(1,229)
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	\$	<u>764,641</u>

Uses (outflows) of resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the statement of budgetary comparison	\$	769,566
Differences - budget to GAAP:		
Capital outlay for the GASB 87 lease liabilities issued is classified as expenditures in the proper fund and functional area for financial reporting purposes.		11,581
Principal and interest portions of GASB 87 lease payments are included within Debt service - Principal and Debt service - Interest and other charges for financial reporting purposes.		2,195
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.		(14,369)
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes.		(32,597)
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	\$	<u>736,376</u>

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



FINANCIAL SECTION

Basic Financial Statements

CITY OF CHARLOTTE, NORTH CAROLINA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2022
(Dollar Amounts in Thousands)

	Business-type Activities -		
	Water and Sewer	Storm Water	Airport
Assets:			
Current assets:			
Cash, cash equivalents and investments	\$ 227,741	\$ 74,720	\$ 684,599
Receivables, net-			
Accounts	59,777	11,773	46,159
Lease receivable	308	-	16,486
Other	360	97	1,548
Total receivables	60,445	11,870	64,193
Due from other governmental agencies	5,524	775	12,847
Due from other funds	307	-	104
Prepaid items	-	-	1,276
Inventories	2,297	-	-
Restricted assets-			
Cash and cash equivalents	3	3	324,209
Investments	205	-	408,019
Total restricted assets	208	3	732,228
Total current assets	296,522	87,368	1,495,247
Noncurrent assets:			
Lease receivable	3,272	-	148,763
Net OPEB asset	14,218	-	5,288
Capital assets-			
Land	61,878	1,280	406,538
Buildings	51,938	-	1,381,566
Improvements other than buildings:			
Water and sewer systems	6,442,203	-	-
Storm water systems	-	1,059,525	-
Runways	-	-	536,134
Transit corridors	-	-	-
Other	-	-	369,228
Total improvements other than buildings	6,442,203	1,059,525	905,362
Intangibles	28,008	3,619	18,791
Machinery and equipment	80,508	701	168,791
Construction in progress	264,032	40,567	496,449
Total capital assets	6,928,567	1,105,692	3,377,497
Less accumulated depreciation	2,288,233	132,983	1,106,450
Total capital assets, net	4,640,334	972,709	2,271,047
Right to use leased assets	1,067	19	547
Less accumulated right to use amortization	178	9	108
Total right to use leased assets, net	889	10	439
Total noncurrent assets	4,658,713	972,719	2,425,537
Total assets	4,955,235	1,060,087	3,920,784
Deferred Outflows Of Resources:			
Pension deferrals	13,478	2,951	9,658
OPEB deferrals	9,203	1,590	4,123
Contributions to pension plan in current fiscal year	6,921	1,515	4,959
Accumulated decreases in fair value of hedging derivatives	15,557	-	-
Unamortized bond refunding charges	4,766	346	491
Total deferred outflows of resources	49,925	6,402	19,231

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

Enterprise Funds		Governmental Activities -	
Public Transit	Total	Internal Service Funds	
\$ 181,410	\$ 1,168,470	\$ 110,101	
2,944	120,653	-	
332	17,126	-	
308	2,313	393	
3,584	140,092	393	
72,154	91,300	10	
-	411	448	
1,161	2,437	2,077	
17,977	20,274	-	
11	324,226	-	
2,135	410,359	-	
2,146	734,585	-	
278,432	2,157,569	113,029	
5,788	157,823	-	
-	19,506	-	
162,574	632,270	-	
410,769	1,844,273	-	
-	6,442,203	-	
-	1,059,525	-	
-	536,134	-	
1,011,632	1,011,632	-	
48,285	417,513	-	
1,059,917	9,467,007	-	
24,765	75,183	-	
452,684	702,684	165	
56,526	857,574	-	
2,167,235	13,578,991	165	
717,731	4,245,397	160	
1,449,504	9,333,594	5	
13,573	15,206	12	
2,737	3,032	6	
10,836	12,174	6	
1,466,128	9,523,097	11	
1,744,560	11,680,666	113,040	
6,728	32,815	333	
3,186	18,102	357	
3,455	16,850	171	
-	15,557	-	
-	5,603	-	
13,369	88,927	861	

Continued on next page

FINANCIAL SECTION

Basic Financial Statements

CITY OF CHARLOTTE, NORTH CAROLINA
STATEMENT OF NET POSITION-(Continued)
PROPRIETARY FUNDS
June 30, 2022
(Dollar Amounts In Thousands)

	Business-type Activities -		
	Water and Sewer	Storm Water	Airport
Liabilities:			
Current liabilities:			
Accounts payable	\$ 141,197	\$ 12,182	\$ 44,540
Claims payable	-	-	-
Deposits and retainage payable	17,980	4,855	1,322
Accrued interest payable	26,536	670	4
Due to component unit	-	-	43
Unearned revenue	-	-	17,268
Current maturities of noncurrent liabilities	94,944	12,041	2,210
Current liabilities payable from restricted assets-			
Accounts payable	-	-	44,319
Deposits and retainage payable	-	-	22,363
Accrued interest payable	-	-	22,414
Revenue bonds payable	-	-	28,381
Total current liabilities payable from restricted assets	-	-	117,477
Total current liabilities	280,657	29,748	182,864
Noncurrent liabilities:			
General obligation bonds payable - net of unamortized premium	1,706	-	-
Revenue bonds payable - net of unamortized premium	1,311,865	231,233	1,433,400
Revenue bond anticipation notes payable	250,000	-	13,268
Installment purchases - net of unamortized premium	14,131	1,175	-
Derivative instrument liability	15,557	-	-
Federal revolving loan payable	-	580	-
State revolving loan payable	85,866	-	-
Refundable water and sewer construction deposits	4,500	-	-
Due to participants	-	-	-
Lease payable	680	-	329
Compensated absences payable	3,845	677	2,775
Net pension liability	13,182	2,886	9,446
Net OPEB liability	-	2,137	-
Total noncurrent liabilities	1,701,332	238,688	1,459,218
Total liabilities	1,981,989	268,436	1,642,082
Deferred Inflows Of Resources:			
Leases	3,507	-	163,907
Pension deferrals	18,833	4,124	13,495
OPEB deferrals	11,345	1,960	5,082
Gain on refundings	26,569	1,310	5,553
Total deferred inflows of resources	60,254	7,394	188,037
Net Position:			
Net investment in capital assets	2,796,494	714,907	1,177,828
Restricted for:			
Debt service	-	-	105,720
Passenger facility charges	-	-	273,582
Contract facility charges	-	-	11,598
Working capital	-	-	48,609
Net OPEB asset	14,218	-	5,288
Unrestricted	152,205	75,752	487,271
Total net position	\$ 2,962,917	\$ 790,659	\$ 2,109,896

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	
\$ 21,253	\$ 219,172	\$ 2,022	
-	-	73,103	
412	24,569	-	
743	27,953	-	
-	43	-	
-	17,268	327	
12,024	121,219	78	
332	44,651	-	
1,119	23,482	-	
-	22,414	-	
-	28,381	-	
1,451	118,928	-	
35,883	529,152	75,530	
-	1,706	-	
-	2,976,498	-	
-	263,268	-	
256,386	271,692	-	
-	15,557	-	
-	580	-	
-	85,866	-	
-	4,500	-	
-	-	12,256	
19	1,028	-	
3,657	10,954	161	
6,580	32,094	325	
3,395	5,532	885	
270,037	3,669,275	13,627	
305,920	4,198,427	89,157	
6,023	173,437	-	
9,402	45,854	465	
3,928	22,315	440	
1,589	35,021	-	
20,942	276,627	905	
1,181,812	5,871,041	5	
-	105,720	-	
-	273,582	-	
-	11,598	-	
-	48,609	-	
-	19,506	-	
249,255	964,483	23,834	
\$ 1,431,067	7,294,539	\$ 23,839	
	(7,464)		
	\$ 7,287,075		

FINANCIAL SECTION

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, 2022
(Dollar Amounts in Thousands)

	Business-type Activities -		
	Water and Sewer	Storm Water	Airport
Operating Revenues:			
Charges for services	\$ 396,831	\$ 81,101	\$ 302,192
Availability fees	52,190	-	-
System development fees	45,377	-	-
Miscellaneous	4,741	3,516	16,792
Total operating revenues	499,139	84,617	318,984
Operating Expenses:			
Administration	129,997	3,554	37,761
Operations and maintenance	139,655	13,340	123,218
Claims and insurance premiums	-	-	-
Other	1,245	-	31,943
Right to use lease amortization	178	9	108
Depreciation	158,534	17,147	86,821
Total operating expenses	429,609	34,050	279,851
Operating income (loss)	69,530	50,567	39,133
Nonoperating Revenues (Expenses):			
Sales tax	-	-	-
Grant contributions	-	-	82,677
Passenger facility charges	-	-	60,656
Contract facility charges	-	-	11,071
Investment earnings	(2,675)	(796)	(11,305)
Interest expense and other charges	(45,146)	(6,697)	(39,744)
Non-airline terminal revenue distribution	-	-	(46,098)
Miscellaneous	3,413	69	(1,580)
Total nonoperating revenues (expenses)	(44,408)	(7,424)	55,677
Income (loss) before contributions and transfers	25,122	43,143	94,810
Capital Contributions	159,046	-	42,039
Transfers In	-	-	-
Transfers Out	(277)	(43)	(162)
Change in net position	183,891	43,100	136,687
Total net position - beginning	2,779,026	747,559	1,973,209
Restatement (Note 6.j.)	-	-	-
Total net position - beginning	2,779,026	747,559	1,973,209
Total net position - ending	\$ 2,962,917	\$ 790,659	\$ 2,109,896

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
Public Transit	Total	Activities - Internal Service Funds
\$ 12,950	\$ 793,074	\$ 145,116
-	52,190	-
-	45,377	-
86	25,135	-
13,036	915,776	145,116
23,144	194,456	23,116
150,135	426,348	-
-	-	143,097
-	33,188	-
2,737	3,032	6
60,297	322,799	2
236,313	979,823	166,221
(223,277)	(64,047)	(21,105)
139,226	139,226	-
37,685	120,362	-
-	60,656	-
-	11,071	-
(1,965)	(16,741)	178
(10,350)	(101,937)	-
-	(46,098)	-
2,487	4,389	-
167,083	170,928	178
(56,194)	106,881	(20,927)
159,072	360,157	-
27,712	27,712	-
(231)	(713)	(34)
130,359	494,037	(20,961)
1,277,510		44,800
23,198		-
1,300,708		44,800
\$ 1,431,067		\$ 23,839
	(7,406)	
	\$ 486,631	

FINANCIAL SECTION

Basic Financial Statements

CITY OF CHARLOTTE, NORTH CAROLINA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2022
(Dollar Amounts in Thousands)

	Business-type Activities -		
	Water and Sewer	Storm Water	Airport
Cash Flows From Operating Activities:			
Receipts from customers	\$ 501,034	\$ 85,265	\$ 314,531
Receipts from participants	-	-	-
Payments to suppliers	(90,288)	(5,827)	(117,928)
Internal activity - (payments to) receipts from other funds	(33,381)	(4,037)	(32,899)
Receipts from trust	-	-	-
Receipts from recovery of losses	-	-	-
Payments to employees	(60,964)	(6,633)	(48,061)
Payments to airlines for non-airline terminal revenue distribution	-	-	(19,122)
Payments for claims	-	-	-
Payments for premiums	-	-	-
Other receipts (payments)	18,081	69	(4,588)
Net cash provided (used) by operating activities	334,482	68,837	91,933
Cash Flows From Noncapital Financing Activities:			
Noncapital contributions	-	-	82,677
Sales tax	-	-	-
Transfers	(277)	(43)	(162)
Net cash provided (used) by noncapital financing activities	(277)	(43)	82,515
Cash Flows From Capital And Related Financing Activities:			
Proceeds from capital debt	190,605	1,495	477,821
Passenger facility charges	-	-	60,928
Contract facility charges	-	-	10,978
Acquisition and construction of capital assets	(405,917)	(88,721)	(239,147)
Leases	(289)	(9)	(1,633)
Principal paid on capital debt	(79,574)	(9,145)	(180,457)
Interest and other charges paid on capital debt	(57,400)	(8,330)	(41,543)
Capital contributions	2,702	-	61,521
Net cash (used) by capital and related financing activities	(349,873)	(104,710)	148,468
Cash Flows From Investing Activities:			
Purchase of investments	-	-	(395,955)
Proceeds from sale and maturities of investments	5	-	157,095
Interest received	(2,643)	(1,064)	(11,361)
Net cash provided (used) by investing activities	(2,638)	(1,064)	(250,221)
Net increase (decrease) in cash, cash equivalents and investments	(18,306)	(36,980)	72,695
Cash, cash equivalents and investments - beginning of year	246,050	111,703	936,113
Cash, cash equivalents and investments - end of year	\$ 227,744	\$ 74,723	\$ 1,008,808

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

Enterprise Funds		Governmental
Public Transit	Total	Activities - Internal Service Funds
\$ 12,485	\$ 913,315	\$ -
-	-	48,213
(80,504)	(294,547)	(22,482)
(18,581)	(88,898)	86,957
-	-	26,461
-	-	20
(78,933)	(194,591)	(1,633)
-	(19,122)	-
-	-	(114,405)
-	-	(42,011)
2,406	15,968	25
(163,127)	332,125	(18,855)
55,964	138,641	-
133,056	133,056	-
27,481	26,999	(34)
216,501	298,696	(34)
192,924	862,845	-
-	60,928	-
-	10,978	-
(16,735)	(750,520)	-
(235)	(2,166)	(6)
(241,945)	(511,121)	-
(11,772)	(119,045)	-
39,027	103,250	-
(38,736)	(344,851)	(6)
(2)	(395,957)	-
-	157,100	-
(1,954)	(17,022)	327
(1,956)	(255,879)	327
12,682	30,091	(18,568)
168,739	1,462,605	128,669
\$ 181,421	\$ 1,492,696	\$ 110,101

Continued on next page

FINANCIAL SECTION

Basic Financial Statements

CITY OF CHARLOTTE, NORTH CAROLINA
STATEMENT OF CASH FLOWS-(Continued)
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2022
(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)	\$ 69,530	\$ 50,567	\$ 39,133
Adjustments to reconcile operating income (loss)			
to net cash provided (used) by operating activities-			
Depreciation	158,534	17,147	86,821
Amortization	178	9	108
Other receipts	18,081	69	(4,588)
Non-airline terminal revenue distribution	-	-	(19,122)
Change in assets and liabilities:			
(Increase) decrease in receivables	1,721	648	(4,453)
(Increase) decrease in due from other governmental agencies	(294)	(8)	1,412
(Increase) in due from other funds	-	-	(22)
(Increase) decrease in inventories	(371)	-	-
(Increase) in prepaid items	-	-	(781)
(Increase) in deferred outflows of resources for pensions	(3,996)	(1,069)	(2,484)
Decrease in net OPEB asset	16,194	-	6,644
(Increase) in deferred outflows of resources for OPEB	(4,353)	(751)	(1,855)
Increase (decrease) in accounts payable	81,347	276	(7,704)
Increase in claims payable	-	-	-
Increase in unearned revenues	-	-	-
(Decrease) in due to participants	-	-	-
Increase (decrease) in deposits and retainage payable	174	(2)	(263)
Increase in due to component unit	-	-	9
(Decrease) in net pension liability	(15,546)	(3,063)	(11,805)
Increase in deferred inflows of resources for pensions	18,833	4,124	13,495
(Decrease) in deferred inflows of resources for OPEB	(5,449)	(945)	(2,772)
Increase (decrease) in compensated absences payable	(101)	72	160
Increase in net OPEB liability	-	1,763	-
Total adjustments	264,952	18,270	52,800
Net cash provided (used) by operating activities	\$ 334,482	\$ 68,837	\$ 91,933
Noncash Investing, Capital And Financing Activities:			
Donated assets	\$ 161,174	\$ -	\$ -
Acquisition of capital assets through leases	1,067	19	547
Proceeds from refunding bonds	-	-	115,002
Payment to refunded bond escrow agent	-	-	(115,002)
Net noncash investing, capital and financing activities	\$ 162,241	\$ 19	\$ 547

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

Enterprise Funds		Governmental
Public		Activities -
Transit	Total	Internal Service
		Funds
\$ (223,277)	\$ (64,047)	\$ (21,105)
60,297	322,799	2
2,737	3,032	6
2,554	16,116	-
-	(19,122)	-
(346)	(2,430)	(131)
(150)	960	4
-	(22)	(98)
(3,495)	(3,866)	-
(110)	(891)	(1,425)
(1,698)	(9,247)	(41)
414	23,252	-
(1,524)	(8,483)	(165)
(1,044)	72,875	188
-	-	6,371
-	-	327
-	-	(2,839)
(205)	(296)	-
-	9	-
(8,282)	(38,696)	(485)
9,402	45,854	465
(1,826)	(10,992)	(225)
31	162	7
3,395	5,158	289
60,150	396,172	2,250
\$ (163,127)	\$ 332,125	\$ (18,855)
\$ -	\$ 161,174	\$ -
13,573	15,206	12
191,875	306,877	-
(191,875)	(306,877)	-
\$ 13,573	\$ 176,380	\$ 12

FINANCIAL SECTION

Basic Financial Statements

CITY OF CHARLOTTE, NORTH CAROLINA
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
June 30, 2022
(Dollar Amounts in Thousands)

Assets:

Cash and cash equivalents	\$	9,339
Receivables:		
Employer contributions		600
Member contributions		428
Interest and dividends		546
Total receivables		1,574
Prepaid items		44
Investments:		
Equity securities - stocks		60,862
Fixed income securities - bonds		119,705
Mutual funds		514,755
Total investments		695,322
Capital assets		671
Less accumulated depreciation		534
Total capital assets, net		137
Total assets		706,416
Liabilities:		
Accounts payable		629
Net Position:		
Restricted for:		
Pensions		574,603
OPEB		131,184
Total net position	\$	705,787

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

CITY OF CHARLOTTE, NORTH CAROLINA
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2022
(Dollar Amounts in Thousands)

Additions:		
Contributions-		
Member	\$	12,418
Employer		30,492
Total contributions		42,910
Investment income-		
Net appreciation in fair value of investments		(116,597)
Interest		2,667
Dividends		2,398
Total investment income		(111,532)
Investment expense		3,090
Net investment income		(114,622)
Total additions		(71,712)
Deductions:		
Benefits		49,207
Refunds		945
Insurance premiums		7,745
Administration		2,616
Depreciation		66
Total deductions		60,579
Change in net position		(132,291)
Net position - beginning		838,078
Net position - ending	\$	705,787

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



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Notes to Financial Statements

Annual Comprehensive Financial Report 2022

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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

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 is not financially accountable for 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.

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.

General COVID Relief: The General COVID Relief fund accounts for funds received under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) and Federal Emergency Management Agency (FEMA) Public Assistance Program to be used for expenditures to address the COVID-19 pandemic.

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.

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, 2022, 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. Also, as of September 1, 2013, State law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. Effective with this change in the law, the State of North Carolina is responsible for billing and collecting the property taxes on registered motor vehicles on behalf of all municipalities and special tax districts. Property taxes are due when vehicles are registered. The billed taxes are applicable to the fiscal year in which they are received. Uncollected taxes that were billed in periods prior to September 1, 2013 and for limited registration plates are shown as a receivable in these financial statements and are offset by deferred inflows of resources.

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.

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.

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 amortized 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 received prior to June 15, 2015 are recorded at their estimated fair value at the date of donation. Donated capital assets received after June 15, 2015 are recorded at acquisition value. All other purchased or constructed capital assets are reported at cost or estimated historical cost. General infrastructure assets include annexed streets that were acquired or received substantial improvements subsequent to July 1, 1980, and 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 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
Intangible	5 – 20 years
Machinery and equipment	3 – 40 years

(6) Right to Use Leased Assets

The right to use 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 assets are amortized on a straight-line basis over the life of the related lease.

(7) 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. The City has several items that meet this criterion, pension and OPEB deferrals, contributions made to the pension plan in the current fiscal year, the accumulated decrease in the fair value of hedging derivatives, the loss on refundings and the

unamortized bond refunding charges. The Component Unit also has pension and OPEB deferrals and contributions made to the pension plan in the current fiscal year that meet this criterion.

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. The City has prepaid taxes, deferrals of pension and OPEB deferrals, leases, and gain on refundings. In the governmental funds, the City also has unavailable revenues that are reported as deferred inflows. The Component Unit has deferrals of pension and OPEB deferrals.

(8) 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 using hedge accounting.

(9) 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 sick leave balance. Unused vacation days are payable upon termination, resignation, retirement or death.

Employees accumulate sick leave at the rate of one day per month and can accrue an unlimited number of days. Sick leave can be taken for personal illness or illness of a member of the immediate family. Sick leave is lost upon termination or resignation, unless the employees effective date of retirement is within 365 days of the termination or resignation. However, employees may be paid twenty percent of outstanding sick leave, with a maximum of 43.5 days, upon retirement. Twenty percent of outstanding sick 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 sick leave. This liability is recorded in the government-wide and proprietary fund financial statements.

(10) 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	\$ 18,186
Culture and recreation	171,154
Community planning and development	30,841
Streets and highways	4,895
Total	<u>\$ 225,076</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 - \$1,889 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 - \$180 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 in excess of the deferred inflow of resources for the lease receivable, which is not a spendable resource.

Perpetual care - \$3,222 of fund balance that is required to be retained in perpetuity for maintenance of cemeteries.

Prepaid items - \$322 of fund balance that is not an available resource because it represents the amount of prepaid expenses.

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 - \$93,472 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 in any fund shall not exceed the sum of cash and investments minus the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts, as those figures stand at the close of the fiscal year next preceding the 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 - \$225,076:

Public safety - \$18,186 of fund balance that is restricted by revenue source for public safety and 911 system expenditures.

Cultural and recreation - \$171,154 of fund balance that is restricted by revenue source for convention center and tourism expenditures.

Community planning and development - \$30,841 of fund balance that is restricted by revenue source for neighborhood expenditures.

Streets and highways - \$4,895 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.

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 - \$375,241 of fund balance committed by the City Council for capital projects.

Committed for other purposes - \$91,781:

Debt service - \$91,781 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 - \$90,120 of fund balance in the Debt Service fund that is not nonspendable, restricted, nor 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 \$125,568 in the General fund and (\$2) in Other Governmental Funds that has not been restricted, committed, or assigned to specific purposes or other funds.

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.

(11) 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.

(12) Leases

As of July 1, 2021, the City adopted the provisions of GASB 87, *Leases*, which amended the existing accounting standards for lease reporting. The new guidance requires lessees in a leasing arrangement recognize a right to use asset and a lease liability for most leases (other than leases that meet the definition of a short-term lease) at lease commencement. The liability will be equal to the present value of lease payments. Additionally, the new guidance requires lessors in a leasing arrangement to recognize a lease receivable and a deferred inflow of resources for most leases (other than leases that meet the definition of a short-term lease) at lease commencement. The liability (lessees) or deferred inflow (lessors) will be equal to the present value of lease payments.

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	\$ 1,314,010
Net of premiums and discounts	141,928
General obligation bond anticipation notes	90,538
Derivative instrument liability	17,696
Swaption borrowing payable	4,237
Compensated absences	72,083
Leases payable	11,779
Accrued interest payable	<u>9,785</u>
Net adjustment to reduce fund balance of total governmental funds to arrive at net position-governmental activities	<u>\$ 1,662,056</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	\$ 175,265
Depreciation expense	(140,001)
Net adjustment to decrease net changes in fund balance - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 35,264</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	\$ 62,626
Capital contribution to public transit	(133,626)
Sales of capital assets	(51)
Net adjustments to decrease change in net position differs from the change in fund balance by the cost of capital assets sold	<u>\$ (71,051)</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	\$ (133,035)
Issuance of general obligation bond anticipation notes	(103,943)
Issuance of installment purchases	(107,600)
Lease purchases	(13,978)
Plus premium on debt issuance	(33,291)
Swaption borrowing	477
Principal repayments:	
General obligation debt	58,481
General obligation bond anticipation notes	150,000
Installment purchases	41,630
Section 108 loan guarantee	2,780
Lease liabilities	<u>2,199</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ (136,280)</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	\$ 155
Amortization on deferred loss on refundings	(606)
Amortization on deferred gain on refundings	3,652
Amortization on deferred amount on refundings	(32)
Amortization of debt premiums	9,869
Compensated absences	(28)
Pension expense	(87,663)
OPEB expense	48,731
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ (25,922)</u>

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 those which expenditures are authorized by project ordinance and the Internal Service and Fiduciary Funds. City funds budgeted by project ordinance include the Capital Projects Funds, Public Safety and Other Grants, General COVID Relief, American Rescue Plan Act, National Opioid Settlement, Neighborhood Development, Employment and Training, Emergency Telephone System, Special Revenue Funds and the Enterprise Funds capital projects.

The annual budgets are adopted at the fund level which is the legal level of budgetary control. Supplemental appropriations 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. The final budgets shown in the statements are as amended at June 30, 2022.

Annual budgets are adopted on the modified accrual basis except that they include encumbrances for 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 because the commitments will be reappropriated and 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, 2022, there was a negative fund balance in the Municipal Services District fund of \$2. This deficit resulted from an excess of expenditures over collected revenues. This deficit will be collected in fiscal year 2023.

4. DETAILED DISCLOSURES ON ALL FUNDS

a. Deposits

As of June 30, 2022, the bank balances and carrying amounts of bank deposits were as follows:

	Bank Balance	Carrying Amount
City - Governmental and Business-type Activities	\$ 133,638	\$ 77,400
City - Fiduciary Funds	952	9,339
Component unit - Authority	8,747	7,985

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. Also, the City may establish time deposit accounts such as NOW and SuperNOW accounts, money market accounts, and certificates of deposit. The City and the Authority have petty cash of \$315 and \$285, 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, \$1,000 was covered at the federal depository insurance coverage level and \$132,638 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, 2022 were as follows:

Investment type	Fair Value	Investment Maturities (in Years)		
		Less than 1	1-3	More than 3
U.S. Treasuries	\$ 599,627	\$ 467,912	\$ 131,715	\$ -
U.S. Agencies	1,356,421	915,665	379,536	61,220
Commercial paper	89,921	89,921	-	-
Mutual funds	46,810	N/A	N/A	N/A
NCCMT Government Portfolio	772,108	N/A	N/A	N/A
Total	<u>\$ 2,864,887</u>	<u>\$ 1,473,498</u>	<u>\$ 511,251</u>	<u>\$ 61,220</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.

The following is a summary of the fair value hierarchy of the fair value of investments as of June 30, 2022:

Investments by fair value level	June 30, 2022	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	\$ 599,627	\$ 599,627	\$ -
U.S. Agencies	1,356,421	-	1,356,421
Commercial paper	89,921	89,921	-
Mutual funds	46,810	46,810	-
NCCMT Government Portfolio	772,108	772,108	-
Total investments by fair value level	<u>\$ 2,864,887</u>	<u>\$ 1,508,466</u>	<u>\$ 1,356,421</u>

Investments classified in Level 1 of the fair value hierarchy, valued at \$908,839, 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.

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 (NRSRO's). As of June 30, 2022, 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 AA+ by S&P as of June 30, 2022. 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, 2022, 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 – Fiduciary Fund: Charlotte Firefighters' Retirement System – The investments and maturities at June 30, 2022 were as follows:

Investment type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	More than 10
U.S. Treasuries	\$ 10,376	\$ -	\$ 4,658	\$ 642	\$ 5,076
U.S. Agencies	30,835	-	-	332	30,503
Corporate bonds	78,494	238	15,816	16,830	45,610
Common stocks	60,862	N/A	N/A	N/A	N/A
Mutual funds	384,416	N/A	N/A	N/A	N/A
Total	<u>\$ 564,983</u>	<u>\$ 238</u>	<u>\$ 20,474</u>	<u>\$ 17,804</u>	<u>\$ 81,189</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, 2022 were as follows:

Quality Rating	Fair Value	Percentage of Portfolio
AAA	\$ 8,165	6.82%
Ba1 > Aa2	70,329	58.75%
Total credit risk debt securities	78,494	65.57%
U.S. Government fixed income securities:		
Government National Mortgage Association	5,835	4.87%
U.S. Treasury	10,376	8.67%
Not rated	25,000	20.89%
Total fixed income securities	<u>\$ 119,705</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.

(Dollar Amounts in Thousands)

Investment by fair value level	June 30, 2022	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	\$ 10,376	\$ 10,376	\$ -	\$ -
U.S. Agencies	30,835	-	30,835	-
Corporate bonds	46,636	-	46,636	-
Common stocks	60,862	60,862	-	-
Mutual funds	24,939	-	24,939	-
Total investments by fair value level	173,648	\$ 71,238	\$ 102,410	\$ -

Category	Investments Measured as NAV	Unfunded Commitment	Redemption Frequency	Redemption Notice Period
U.S. equity	120,191	-	Daily	N/A
International equity	150,761	-	Daily	N/A
U.S. bonds	10,561	-	Daily	N/A
International bonds	21,296	-	1st of Month	N/A
Fixed income	55,762	-	Openings	N/A
International fixed income	32,764	-	Quarterly	45 Days
	391,335	-	Quarterly	
		-	1st day of Quarter	N/A
Total investments	\$ 564,983			

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, 2022, the EBTP had investments of \$130,339 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, 2022, the Authority had investments of \$23,511 in the NCCMT's Government Portfolio, which carried a credit rating of AAAM by S&P.

c. Receivables

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

<u>Governmental</u>	
General	\$ 8,639
Debt Service	233
Capital Projects	1,857
Total Governmental	<u>10,729</u>
<u>Proprietary</u>	
Water and Sewer	11,150
Storm Water	1,901
Airport	424
Public Transit	119
Total Proprietary	<u>13,594</u>
<u>Internal Service</u>	
Risk Management	72
Total	<u>\$ 24,395</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, 2022, the balance of the loan outstanding was \$2,291.

(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 3 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 2022, the City recognized \$18,267 of lease revenue and \$1,913 of interest revenue related to these leases. In addition, the City recognized \$50,193 in variable lease revenue not included in the lease receivable. As of June 30, 2022, the City's lease receivables were valued at \$186,363. The deferred inflow of resources associated with these leases to be recognized as revenue over the remaining terms of the leases is \$184,478.

The principal and interest requirements to maturity for the lease receivable at June 30, 2022, are as follows:

<u>Governmental Activities</u>		
<u>Year Ending</u>	<u>Principal</u>	<u>Interest</u>
<u>June 30</u>		
2023	\$ 726	\$ 156
2024	673	149
2025	580	141
2026	468	134
2027	459	128
2028-2032	2,195	543
2033-2037	2,338	373
2038-2042	1,674	219
2043-2047	1,106	115
2048-2052	808	44
2053-2055	171	3
	<u>\$ 11,198</u>	<u>\$ 2,005</u>

The principal and interest requirements to maturity for the lease receivable at June 30, 2022, are as follows:

Year Ending June 30	Business-type Activities					
	Water and Sewer		Airport		Public Transit	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 308	\$ 48	\$ 16,486	\$ 2,001	\$ 332	\$ 86
2024	322	45	16,430	1,821	289	194
2025	305	41	16,656	1,628	364	130
2026	296	37	16,600	1,439	372	123
2027	231	34	16,017	1,248	382	116
2028-2032	613	138	41,528	4,059	1,825	459
2033-2037	554	92	12,626	2,634	1,193	281
2038-2042	265	59	10,073	1,768	1,134	113
2043-2047	213	44	2,280	1,331	229	3
2048-2052	268	26	2,644	1,147	-	-
2053-2057	165	7	3,047	934	-	-
2058-2062	2	3	3,491	689	-	-
2063-2067	2	3	3,979	410	-	-
2068-2072	2	3	3,392	101	-	-
2073-2077	3	2	-	-	-	-
2078-2082	3	2	-	-	-	-
2083-2087	3	2	-	-	-	-
2088-2092	3	2	-	-	-	-
2093-2097	3	2	-	-	-	-
2098-2102	4	1	-	-	-	-
2103-2107	4	1	-	-	-	-
2108-2112	4	1	-	-	-	-
2113-2117	5	-	-	-	-	-
2118-2119	2	-	-	-	-	-
	<u>\$ 3,580</u>	<u>\$ 593</u>	<u>\$ 165,249</u>	<u>\$ 21,210</u>	<u>\$ 6,120</u>	<u>\$ 1,505</u>

(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, which qualify to be treated as regulated in accordance with the requirements of GASB 87. The City leases land and buildings to third parties under these agreements.

As of June 30, 2022, the remaining amount of expected future minimum payments under these agreements is as follows:

Year Ending June 30	Principal
2023	\$ 42,560
2024	42,610
2025	42,610
2026	42,219
2027	4,489
2028-2032	20,330
2033-2037	17,849
2038-2042	12,197
2043-2047	3,741
2048-2052	1,314
2053-2056	104
Total minimum future rental income	<u>\$ 230,023</u>

In July 2016, the City and American Airlines Group, Inc. (American Airlines), Frontier Airlines, JetBlue Airlines, 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 A Concourse; these airlines also preferentially lease gates on A Concourse. 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.

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 (5) percent of terminal space or other areas of the Airport as of June 30, 2022. Exclusive and preferential use of space are summarized as follows:

Charlotte Douglas International Airport Leased Terminal Space										
	American	Delta	United	Southwest	Jet Blue	Spirit	Frontier	Joint Use	Other Space	Total
Airline Leased Space (sq. ft.)	430,955	33,954	18,765	8,462	5,372	3,611	2,291	289,361	-	792,771
Airline Exclusive	276,060	18,805	5,955	2,682	1,960	1,743	513	-	-	307,718
Airline Preferential	154,895	15,149	12,810	5,780	3,412	1,868	1,778	-	-	195,692
Joint Use	-	-	-	-	-	-	-	289,361	-	289,361
Non-Airline Rentable Space	-	-	-	-	-	-	-	-	401,163	401,163
Common Use Gate/ Holdroom	-	-	-	-	-	-	-	-	17,352	17,352
Common Use Ticket Counter	-	-	-	-	-	-	-	-	2,141	2,141
Concessions	-	-	-	-	-	-	-	-	217,740	217,740
Rentable-Other Office	-	-	-	-	-	-	-	-	34,592	34,592
Customs and Border Protection	-	-	-	-	-	-	-	-	129,338	129,338
Total Leasable Space	<u>430,955</u>	<u>33,954</u>	<u>18,765</u>	<u>8,462</u>	<u>5,372</u>	<u>3,611</u>	<u>2,291</u>	<u>289,361</u>	<u>401,163</u>	<u>1,193,934</u>
Common and preferential use gate assignments										
Number of gates	88	7	4	2	1	1	1	-	10	114

For the year ended June 30, 2022, the City recognized \$42,864 of inflows of resources from fixed lease revenue payments and \$37,335 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.

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, 2021 were based on the assessed values listed as of January 1, 2021, 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 2022 (tax rate per \$100 valuation) to its funds is shown below:

General	\$ 0.2731
Debt Service	0.0677
Capital Projects	0.0073
Total	<u>\$ 0.3481</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 2022 for Districts 1, 2, 3, 4 and 5 were \$0.0136, \$0.0227, \$0.0338, \$0.0390 and \$0.0279, respectively.

e. Restricted Assets

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

<u>Governmental</u>	
Debt Service	\$ 647
Capital Projects	43,054
General COVID Relief	2
Other governmental funds	64,056
Total Governmental	<u>107,759</u>
<u>Enterprise</u>	
Water and Sewer	208
Storm Water	3
Airport	732,228
Public Transit	2,146
Total Enterprise	<u>734,585</u>
Total	<u>\$ 842,344</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, 2022 were as follows:

Governmental activities	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	\$ 3,612,135	\$ 43,923	\$ 512	\$ 3,655,546
Construction in progress (Note 4.g.)	480,478	196,000	446,685	229,793
Total capital assets not being depreciated	4,092,613	239,923	447,197	3,885,339
Capital assets being depreciated:				
Buildings	1,425,493	148,337	-	1,573,830
Infrastructure	2,964,833	122,571	-	3,087,404
Intangibles	43,147	1,784	-	44,931
Machinery and equipment	280,940	24,937	12,241	293,636
Total capital assets being depreciated	4,714,413	297,629	12,241	4,999,801
Less accumulated depreciation for:				
Buildings	527,211	36,915	-	564,126
Infrastructure	1,355,485	73,131	-	1,428,616
Intangibles	34,570	3,150	-	37,720
Machinery and equipment	200,213	24,434	12,122	212,525
Total accumulated depreciation	2,117,479	137,630	12,122	2,242,987
Total capital assets being depreciated, net	2,596,934	159,999	119	2,756,814
Right to use assets being amortized:				
Leased buildings	-	12,158	-	12,158
Leased machinery and equipment	-	1,832	-	1,832
Total right to use assets being amortized	-	13,990	-	13,990
Less accumulated amortization for:				
Leased buildings	-	1,607	-	1,607
Leased machinery and equipment	-	772	-	772
Total accumulated amortization	-	2,379	-	2,379
Total right to use assets being amortized, net	-	11,611	-	11,611
Governmental activity capital assets, net	\$ 6,689,547	\$ 411,533	\$ 447,316	\$ 6,653,764

Depreciation expense was charged to activities as follows:

Governmental Activities:	
Public safety	\$ 19,611
Sanitation	5,959
General administration	4,180
Support services	987
Engineering and property management	8,587
Streets and highways	70,021
Community planning and development	7,521
Culture and recreation	20,762
Capital assets held by the City's internal service funds are charged to various functions based on the usage of assets	2
Total depreciation expense - Governmental Activities	\$ 137,630

Capital asset activity for business-type activities for the year ended June 30, 2022 were as follows:

	Beginning Balance Restated	Increase	Decrease	Ending Balance
Business-type activities				
Water and Sewer				
Capital assets not being depreciated:				
Land	\$ 56,424	\$ 5,454	\$ -	\$ 61,878
Construction in progress	417,865	411,550	565,383	264,032
Total capital assets not being depreciated	474,289	417,004	565,383	325,910
Capital assets being depreciated:				
Buildings	48,804	3,134	-	51,938
Water and sewer systems	5,750,408	691,795	-	6,442,203
Intangibles	26,274	1,734	-	28,008
Machinery and equipment	72,818	9,836	2,146	80,508
Total capital assets being depreciated	5,898,304	706,499	2,146	6,602,657
Less accumulated depreciation for:				
Buildings	14,074	1,236	-	15,310
Water and sewer systems	2,051,929	148,363	-	2,200,292
Intangibles	21,710	1,589	-	23,299
Machinery and equipment	44,088	7,346	2,102	49,332
Total accumulated depreciation	2,131,801	158,534	2,102	2,288,233
Total capital assets being depreciated, net	3,766,503	547,965	44	4,314,424
Right to use assets being amortized:				
Leased land	-	47	-	47
Leased machinery and equipment	-	1,020	-	1,020
Total right to use assets being amortized	-	1,067	-	1,067
Less accumulated amortization for:				
Leased land	-	1	-	1
Leased machinery and equipment	-	177	-	177
Total accumulated amortization	-	178	-	178
Water and Sewer right to use assets, net	-	889	-	889
Water and Sewer capital assets, net	4,240,792	965,858	565,427	4,641,223
Storm Water				
Capital assets not being depreciated:				
Land	768	512	-	1,280
Construction in progress	26,226	89,364	75,023	40,567
Total capital assets not being depreciated	26,994	89,876	75,023	41,847
Capital assets being depreciated:				
Storm water systems	985,391	74,134	-	1,059,525
Intangibles	3,619	-	-	3,619
Machinery and equipment	382	319	-	701
Total capital assets being depreciated	989,392	74,453	-	1,063,845
Less accumulated depreciation for:				
Storm water systems	112,023	17,046	-	129,069
Intangibles	3,594	26	-	3,620
Machinery and equipment	219	75	-	294
Total accumulated depreciation	115,836	17,147	-	132,983
Total capital assets being depreciated, net	873,556	57,306	-	930,862
Right to use assets being amortized:				
Leased machinery and equipment	-	19	-	19
Total right to use assets being amortized	-	19	-	19
Less accumulated amortization for:				
Leased machinery and equipment	-	9	-	9
Total accumulated amortization	-	9	-	9
Storm Water right to use assets, net	-	10	-	10
Storm Water capital assets, net	900,550	147,192	75,023	972,719

Continued on next page

CITY OF CHARLOTTE, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2022

(Dollar Amounts in Thousands)

	Beginning Balance	Increase	Decrease	Ending Balance
<i>Airport</i>				
Capital assets not being depreciated:				
Land	\$ 399,315	\$ 7,223	\$ -	\$ 406,538
Construction in progress	352,936	279,057	135,544	496,449
Total capital assets not being depreciated	752,251	286,280	135,544	902,987
Capital assets being depreciated:				
Buildings	1,330,295	51,271	-	1,381,566
Runways	499,220	36,914	-	536,134
Other	351,246	17,982	-	369,228
Intangibles	16,468	2,323	-	18,791
Machinery and equipment	162,870	11,867	5,946	168,791
Total capital assets being depreciated	2,360,099	120,357	5,946	2,474,510
Less accumulated depreciation for:				
Buildings	616,465	42,313	-	658,778
Runways	219,816	13,560	-	233,376
Other	88,638	13,732	-	102,370
Intangibles	7,803	2,738	-	10,541
Machinery and equipment	92,374	14,478	5,467	101,385
Total accumulated depreciation	1,025,096	86,821	5,467	1,106,450
Total capital assets being depreciated, net	1,335,003	33,536	479	1,368,060
Right to use assets being amortized:				
Leased machinery and equipment	-	547	-	547
Total right to use assets being amortized	-	547	-	547
Less accumulated amortization for:				
Leased machinery and equipment	-	108	-	108
Total accumulated amortization	-	108	-	108
Total right to use assets being amortized, net	-	439	-	439
Airport capital assets, net	2,087,254	320,255	136,023	2,271,486
<i>Public Transit</i>				
Capital assets not being depreciated:				
Land	177,423	358	15,207	162,574
Construction in progress	42,802	22,498	8,774	56,526
Total capital assets not being depreciated	220,225	22,856	23,981	219,100
Capital assets being depreciated:				
Buildings	410,769	-	-	410,769
Transit corridors	942,632	69,000	-	1,011,632
Other	48,285	-	-	48,285
Intangibles	24,675	90	-	24,765
Machinery and equipment	384,914	73,748	5,978	452,684
Total capital assets being depreciated (Note 4.g.)	1,811,275	142,838	5,978	1,948,135
Less accumulated depreciation for:				
Buildings	119,010	11,384	-	130,394
Transit corridors	326,927	24,145	-	351,072
Other	36,289	1,381	-	37,670
Intangibles	12,577	1,493	-	14,070
Machinery and equipment	168,238	21,894	5,607	184,525
Total accumulated depreciation	663,041	60,297	5,607	717,731
Total capital assets being depreciated, net	1,148,234	82,541	371	1,230,404
Right to use assets being amortized:				
Leased land	-	13,385	-	13,385
Leased buildings	-	32	-	32
Leased machinery and equipment	-	156	-	156
Total right to use assets being amortized	-	13,573	-	13,573
Less accumulated amortization for:				
Leased land	-	2,633	-	2,633
Leased buildings	-	26	-	26
Leased machinery and equipment	-	78	-	78
Total accumulated amortization	-	2,737	-	2,737
Total right to use assets being amortized, net	-	10,836	-	10,836
Public Transit capital assets, net	1,368,459	116,233	24,352	1,460,340
Business-type capital assets, net	\$ 8,597,055	\$ 1,549,538	\$ 800,825	\$ 9,345,768

g. Interfund Receivables, Payables and Transfers

The following is a summary of interfund receivables, payables and transfers, respectively, at June 30, 2022 by fund:

Due to/from other funds:	Interfund Receivables	Interfund Payables
General	\$ 6	\$ 448
Debt Service	11,348	-
Capital Project	-	6,226
General COVID Relief	-	5,533
Nonmajor governmental	-	6
Enterprise - Water and Sewer	307	-
Enterprise - Airport	104	-
Internal Service - Employee Health and Life	448	-
Total	<u>\$ 12,213</u>	<u>\$ 12,213</u>

The balances between General and Internal Service are for reimbursable expenditures and will be paid within 30 days. The balances between General and Nonmajor governmental are to advance funding for expenditures until grant reimbursement is received and will be paid within 30 days. The balances between General, Debt Service, 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	\$ 1,993	\$ -
Capital Projects	298	698
Nonmajor governmental	-	143
Enterprise - Airport	-	43
Component Unit - Authority	884	2,291
Total	<u>\$ 3,175</u>	<u>\$ 3,175</u>

Interfund transfers:

Transfer out:	Transfers In:					Total
	General	Debt Service	Capital Projects	Nonmajor Governmental	Enterprise-Public Transit	
General	\$ -	\$ 19,665	\$ 8,853	\$ 4,054	\$ 25	\$ 32,597
Debt Service	123	-	42,726	321	-	43,170
Capital Projects	-	7,219	-	11,168	161,313	179,700
Nonmajor governmental	4,674	59,531	5,074	-	-	69,279
Enterprise:						
Water and Sewer	-	-	277	-	-	277
Storm Water	-	-	43	-	-	43
Public Transit	-	-	231	-	-	231
Airport	-	-	162	-	-	162
Internal Service	-	-	34	-	-	34
Total	<u>\$ 4,797</u>	<u>\$ 86,415</u>	<u>\$ 57,400</u>	<u>\$ 15,543</u>	<u>\$ 161,338</u>	<u>\$ 325,493</u>

The transfers consist primarily of the following: (a) \$86,415 to Debt Service from Nonmajor governmental and General to cover debt service costs, (b) \$57,400 to Capital Projects mainly from General and Debt Service to cover Capital Projects, and (c) \$161,338 to Public Transit mainly from Capital Projects, to cover maintenance of efforts (\$27,712) and construction of capital assets (\$133,626).

h. Payables

Payables at June 30, 2022, including amounts payable from restricted assets, were as follows:

<u>Governmental</u>	Vendors	Salaries	Other	Total
General	\$ 34,345	\$ 1,520	\$ 2,288	\$ 38,153
Debt Service	43	-	-	43
Capital Projects	29,044	-	5,998	35,042
General COVID Relief	303	-	-	303
Nonmajor governmental	4,973	-	-	4,973
Total Governmental	<u>68,708</u>	<u>1,520</u>	<u>8,286</u>	<u>78,514</u>
<u>Proprietary</u>				
Water and Sewer	137,868	1,169	2,160	141,197
Storm Water	11,891	291	-	12,182
Airport	87,627	881	351	88,859
Public Transit	15,894	1,351	4,340	21,585
Internal Service	75,094	31	-	75,125
Total Proprietary	<u>328,374</u>	<u>3,723</u>	<u>6,851</u>	<u>338,948</u>
Total	<u>\$ 397,082</u>	<u>\$ 5,243</u>	<u>\$ 15,137</u>	<u>\$ 417,462</u>

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	\$ 565,644	\$ 3,489
OPEB deferrals	167,197	4,775
Contributions to pension plan in current fiscal year	75,274	1,518
Accumulated decrease in fair value of hedging derivatives	33,253	-
Loss on refundings	529	-
Unamortized bond refunding charges	7,105	-
	<u>\$ 849,002</u>	<u>\$ 9,782</u>

Deferred inflows of resources are comprised of the following:

	City	Component Unit
Lease receivables	\$ 184,478	\$ 692
Prepaid taxes	264	-
Pension deferrals	706,633	5,559
OPEB deferrals	206,114	6,591
Gain on refundings	64,287	-
	<u>\$ 1,161,776</u>	<u>\$ 12,842</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	General COVID Relief	Nonmajor Governmental	Total Governmental
Property taxes receivable	\$ 6,867	\$ 1,715	\$ 198	\$ -	\$ 95	\$ 8,875
Notes receivable	-	-	-	-	50	50
Accounts receivable	4,650	-	32	117	76	4,875
Due from component unit	-	1,993	298	-	-	2,291
	<u>\$ 11,517</u>	<u>\$ 3,708</u>	<u>\$ 528</u>	<u>\$ 117</u>	<u>\$ 221</u>	<u>\$ 16,091</u>

j. Long-term Liabilities

A summary of changes in long-term liabilities for governmental activities for the year ended June 30, 2022 were as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities					
General obligation bonds	\$ 624,901	\$ 133,035	\$ 58,481	\$ 699,455	\$ 62,120
Plus unamortized premiums	69,305	17,639	6,280	80,664	6,241
Total bonds payable	694,206	150,674	64,761	780,119	68,361
Direct placement installment purchases	5,620	-	2,810	2,810	2,810
Installment purchases	542,965	107,600	38,820	611,745	41,615
Plus unamortized premiums	49,201	15,652	3,589	61,264	4,066
Total installment purchases	597,786	123,252	45,219	675,819	48,491
Direct placement general obligation bond anticipation notes	136,595	103,943	150,000	90,538	-
Direct borrowing section 108 loan guarantee	2,780	-	2,780	-	-
Derivative instrument liability	39,167	-	21,471	17,696	-
Swaption borrowing payable	4,714	-	477	4,237	462
Lease liabilities	-	13,990	2,205	11,785	2,311
Compensated absences	72,281	41,299	41,264	72,316	30,658
Arbitrage	17	-	17	-	-
Due to participants	14,997	-	2,741	12,256	-
Total pension liability (LGERS)	160,704	-	87,846	72,858	-
Total pension liability (LEOSSA)	172,832	14,377	-	187,209	-
Total pension liability (System)	686,151	-	555,853	130,298	-
Net OPEB liability	227,250	118,835	-	346,085	-
Total Governmental Activities	<u>\$ 2,809,480</u>	<u>\$ 566,370</u>	<u>\$ 974,634</u>	<u>\$ 2,401,216</u>	<u>\$ 150,283</u>

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

A summary of changes in long-term liabilities for business-type activities for the year ended June 30, 2022 were as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type Activities					
Water and Sewer:					
General obligation bonds	\$ 11,835	\$ -	\$ 5,076	\$ 6,759	\$ 5,224
Plus unamortized premiums	2,100	-	1,364	736	565
Revenue bonds	1,272,740	-	65,315	1,207,425	65,745
Plus unamortized premiums	186,439	-	8,127	178,312	8,127
Total bonds payable	1,473,114	-	79,882	1,393,232	79,661
Direct placement installment purchases	13,484	10,005	4,427	19,062	6,636
Installment purchases	4,920	-	1,640	3,280	1,640
Plus unamortized premiums	327	-	131	196	131
Total installment purchases	18,731	10,005	6,198	22,538	8,407
Direct placement revenue bond anticipation notes	85,000	165,000	-	250,000	-
Direct borrowing state revolving loan	72,807	15,600	1,270	87,137	1,271
Derivative instrument liability	35,248	-	19,691	15,557	-
Refundable construction deposits	3,648	4,830	1,846	6,632	2,132
Lease liabilities	-	1,043	185	858	178
Compensated absences	7,241	4,683	4,784	7,140	3,295
Net pension liability (LGERS)	28,728	-	15,546	13,182	-
Total Water and Sewer	1,724,517	201,161	129,402	1,796,276	94,944
Storm Water:					
General obligation bonds	1,719	-	903	816	816
Plus unamortized premiums	277	-	228	49	49
Revenue bonds	225,025	-	8,175	216,850	8,565
Plus unamortized premiums	25,725	-	1,388	24,337	1,389
Total bonds payable	252,746	-	10,694	242,052	10,819
Direct placement installment purchases	-	1,495	-	1,495	320
Direct borrowing federal revolving loan	713	-	67	646	66
Lease liabilities	-	19	9	10	10
Compensated absences	1,431	1,213	1,141	1,503	826
Net pension liability (LGERS)	5,949	-	3,063	2,886	-
Net OPEB liability	374	1,763	-	2,137	-
Total Storm Water	261,213	4,490	14,974	250,729	12,041
Airport:					
Revenue bonds	983,060	372,930	65,455	1,290,535	21,550
Plus unamortized premiums	167,014	10,887	6,655	171,246	6,831
Total bonds payable	1,150,074	383,817	72,110	1,461,781	28,381
Direct placement revenue bond anticipation notes	34,266	94,004	115,002	13,268	-
Lease liabilities	-	547	111	436	107
Compensated absences	4,718	3,402	3,242	4,878	2,103
Net pension liability (LGERS)	21,251	-	11,805	9,446	-
Total Airport	1,210,309	481,770	202,270	1,489,809	30,591
Public Transit:					
Installment purchases	143,015	164,730	73,515	234,230	8,920
Plus unamortized premiums	6,210	28,194	1,804	32,600	1,524
Total installment purchases	149,225	192,924	75,319	266,830	10,444
Direct borrowing TIFIA loan (installment purchases)	168,430	-	168,430	-	-
Lease liabilities	-	265	123	142	123
Compensated absences	5,083	2,253	2,222	5,114	1,457
Net pension liability (LGERS)	14,862	-	8,282	6,580	-
Net OPEB liability	-	3,395	-	3,395	-
Total Public Transit	337,600	198,837	254,376	282,061	12,024
Total Business-type Activities	\$ 3,533,639	\$ 886,258	\$ 601,022	\$ 3,818,875	\$ 149,600

The government-wide statement of net position includes \$28,381 of long-term liabilities due within one year for business-type activities in the liabilities payable from restricted assets. The remaining amount of \$121,219 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, 2022
Governmental Activities:					
Refunding, Series 2012A	1.25% - 5.00%	04/12/2012	2033	\$ 175,495	\$ 10,255
Taxable Housing, Series 2013A	1.00% - 4.15%	09/05/2013	2030	34,370	17,170
Refunding, Series 2013B	2.00% - 5.00%	09/05/2013	2030	74,068	40,925
Refunding, Series 2014A	1.75% - 5.00%	05/01/2014	2035	131,105	85,215
Refunding, Series 2015	4.00% - 5.00%	06/01/2015	2025	51,895	14,875
Refunding, Series 2016A	5.00%	11/01/2016	2037	116,230	87,155
Refunding, Series 2019A	2.00% - 5.00%	08/15/2019	2039	189,920	152,335
Taxable Housing, Series 2019B	1.45% - 3.00%	08/28/2019	2039	55,000	46,750
Refunding, Series 2020A	3.00% - 5.00%	03/04/2020	2027	30,440	21,700
Refunding, Series 2020B	1.508% - 2.155%	03/04/2020	2032	93,970	93,970
Refunding, Series 2021A	2.00% - 5.00%	12/02/2021	2041	133,035	129,105
Total Governmental Activities					<u>\$ 699,455</u>
Business-type Activities:					
Water and Sewer:					
Refunding, Series 2015	4.00% - 5.00%	06/01/2015	2023	\$ 27,144	\$ 3,659
Refunding, Series 2018A	5.00%	08/01/2018	2024	26,920	3,100
Total Water and Sewer					<u>6,759</u>
Storm Water:					
Refunding, Series 2015	4.00% - 5.00%	06/01/2015	2023	6,051	816
Total Storm Water					<u>816</u>
Total Business-type Activities					<u>\$ 7,575</u>

The principal and interest on the General Obligation Bonds allocated to Water and Sewer and Storm Water are wholly payable from net revenues of the Water and Sewer and Storm Water systems, respectively.

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

Governmental Activities				
Year Ending	Principal		Interest	
June 30				
2023	\$	62,120	\$	26,009
2024		62,495		23,419
2025		62,875		21,018
2026		58,430		18,699
2027		58,565		16,289
2028-2032		214,310		49,642
2033-2037		135,020		16,025
2038-2041		45,640		2,158
	\$	<u>699,455</u>	\$	<u>173,259</u>

Business-type Activities				
Year Ending	Water and Sewer		Storm Water	
	Principal	Interest	Principal	Interest
June 30				
2023	\$ 5,224	\$ 208	\$ 816	\$ 20
2024	1,535	38	-	-
	<u>\$ 6,759</u>	<u>\$ 246</u>	<u>\$ 816</u>	<u>\$ 20</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, 2022
Water and Sewer, Series 2006B	Variable	07/26/2006	2037	\$ 300,000	\$ 126,470
Water and Sewer, Refunding Series 2011	1.50% - 5.00%	08/03/2011	2025	93,390	26,205
Water and Sewer, Refunding Series 2015	1.00% - 5.00%	08/27/2015	2046	459,585	301,030
Water and Sewer, Refunding Series 2018	3.00% - 5.00%	04/25/2018	2049	409,915	376,020
Water and Sewer, Refunding Series 2019	3.00% - 5.00%	09/10/2019	2036	58,750	53,850
Water and Sewer, Refunding Series 2020	2.00% - 5.00%	09/24/2020	2051	333,445	323,850
Total Water and Sewer					<u>1,207,425</u>
Storm Water, Refunding Series 2012	2.00% - 5.00%	11/13/2012	2025	20,585	6,210
Storm Water, Refunding Series 2014	3.50% - 5.00%	11/04/2014	2044	101,815	82,715
Storm Water, Refunding Series 2016	1.50% - 5.00%	06/09/2016	2036	32,355	25,050
Storm Water, Fee Revenue Series 2020	2.00% - 5.00%	10/14/2020	2051	104,705	102,875
Total Storm Water					<u>216,850</u>
Airport, Refunding Series 2014A	5.00%	11/06/2014	2035	74,290	74,290
Airport, Refunding Series 2014B	2.00% - 5.00%	11/06/2014	2024	31,100	4,890
Airport, Series 2017A	5.00%	06/01/2017	2048	167,385	159,745
Airport, Series 2017B	5.00%	06/01/2017	2048	16,345	15,780
Airport, Refunding Series 2017C	3.25% - 5.00%	06/01/2017	2042	119,050	108,420
Airport, Series 2019A	3.00% - 5.00%	06/20/2019	2050	142,220	139,030
Airport, Series 2019B	4.00% - 5.00%	06/20/2019	2050	36,145	35,505
Airport, Series 2021A	3.00% - 5.00%	05/06/2021	2052	271,525	271,525
Airport, Series 2021B	3.00% - 5.00%	05/06/2021	2052	108,420	108,420
Airport, Series 2022A	4.00% - 5.00%	06/02/2022	2053	298,705	298,705
Airport, Series 2022B	4.25% - 5.00%	06/02/2022	2053	74,225	74,225
Total Airport					<u>1,290,535</u>
Total Business-type Activities					<u>\$ 2,714,810</u>

Interest on the variable-rate bonds is determined by a remarketing agent based upon market conditions. The City entered into an interest rate swap agreement for the variable rate Water and Sewer Revenue Bonds Series 2006B. See note 4.j.7 for additional information concerning derivative instruments.

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 2022 Water and Sewer Fund budgets, revenue bond debt service coverage was at least 2.9 percent. Based on the fiscal year 2022 Storm Water Fund budgets, revenue bond debt service coverage was at least 3.7 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>					
	<u>Water and Sewer</u>		<u>Storm Water</u>		<u>Airport</u>	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 65,745	\$ 47,563	\$ 8,565	\$ 7,863	\$ 21,550	\$ 51,413
2024	68,845	44,836	8,955	7,470	31,705	57,227
2025	66,650	41,742	9,380	7,044	38,335	55,497
2026	52,860	39,016	7,535	6,651	40,340	53,530
2027	55,420	36,582	7,900	6,288	42,385	51,462
2028-2032	267,245	147,370	45,510	25,371	220,940	224,285
2033-2037	323,975	86,777	43,995	15,783	236,890	168,880
2038-2042	174,750	38,219	35,975	8,865	223,225	116,413
2043-2047	95,850	14,911	29,535	3,711	218,810	69,424
2048-2052	36,085	1,477	19,500	890	194,485	22,906
2053	-	-	-	-	21,870	443
	<u>\$ 1,207,425</u>	<u>\$ 498,493</u>	<u>\$ 216,850</u>	<u>\$ 89,936</u>	<u>\$ 1,290,535</u>	<u>\$ 871,480</u>

(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, 2022
Governmental Activities:					
Convention Center, Series 2013I, Direct Placement	2.94%	10/22/2013	2023	\$ 28,125	\$ 2,810
Convention Center, Series 2015A	0.86% - 2.97%	05/14/2015	2023	39,335	5,310
Convention Center, Refunding Series 2016A	5.00%	06/01/2016	2026	33,010	9,400
Convention Center, Series 2016B	0.97% - 2.45%	06/01/2016	2023	23,685	3,590
Convention Center, Series 2019A	4.00% - 5.00%	04/25/2019	2049	101,955	97,500
Convention Center, Refunding Series 2019A	4.00% - 5.00%	04/25/2019	2034	18,995	16,295
Tourism, Series 2003F	Variable	05/29/2003	2034	41,000	19,785
Tourism, Refunding Series 2013G	Variable	05/30/2013	2033	128,245	77,830
Tourism, Series 2018	5.00%	11/08/2018	2024	11,640	4,650
Hall of Fame, Series 2009D	Variable	07/30/2009	2035	100,000	66,780
Hall of Fame, Refunding Series 2019C	3.00% - 4.00%	06/04/2019	2039	34,935	34,935
Cultural Facilities, Refunding Series 2019B	4.00% - 5.00%	06/04/2019	2039	96,975	87,690
Public Safety, Series 2012A	1.25% - 5.00%	01/04/2012	2032	23,195	11,600
Public Safety, Series 2013A	2.00% - 5.00%	04/04/2013	2033	16,700	10,960
Public Safety, Series 2014A	3.00% - 5.00%	03/27/2014	2034	16,225	9,720
Public Safety, Series 2018	3.125% - 5.00%	11/08/2018	2039	56,610	48,100
Equipment and Facilities, Series 2021B	2.125% - 5.00%	10/21/2021	2042	107,600	107,600
Total Governmental Activities					<u>\$ 614,555</u>
Business-type Activities:					
Water and Sewer:					
Equipment, Series 2018	5.00%	11/08/2018	2024	\$ 8,205	\$ 3,280
Equipment, 2019, Direct Placement	1.52%	10/11/2019	2024	20,000	9,057
Equipment, 2022, Direct Placement	1.498%	03/15/2022	2027	10,005	10,005
Total Water and Sewer					<u>22,342</u>
Storm Water:					
Equipment, 2022, Direct Placement	1.498%	03/15/2022	2027	1,495	1,495
Total Storm Water					<u>1,495</u>
Public Transit:					
Equipment and Facilities, Refunding Series 2013C	2.00% - 5.00%	05/07/2013	2033	47,845	31,920
Equipment and Facilities, Refunding Series 2015B	2.00% - 5.00%	06/18/2015	2035	56,470	41,725
Equipment and Facilities, Refunding Series 2021A	1.00% - 5.00%	08/03/2021	2048	164,730	160,585
Total Public Transit					<u>234,230</u>
Total Business-type Activities					<u>\$ 258,067</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 and Tourism Refunding Series 2013G. See note 4.k.7 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 installment purchases of \$614,555 (\$2,810 of which are direct placement installment purchases) 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 annually 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 \$22,342 and Storm Water's outstanding direct placement installment purchase of \$1,495 are secured with collateral of equipment purchased. The City's outstanding installment purchases of \$234,230 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>Governmental Activities</u>									
Year Ending June 30					<u>Direct Placements</u>				
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	
2023	\$ 41,615	\$ 21,224	\$ 2,810	\$ 83					
2024	33,760	19,846	-	-					
2025	32,530	18,671	-	-					
2026	33,690	17,548	-	-					
2027	32,255	16,460	-	-					
2028-2032	163,505	65,742	-	-					
2033-2037	152,810	38,098	-	-					
2038-2042	83,475	15,115	-	-					
2043-2047	25,980	6,163	-	-					
2048-2049	12,125	732	-	-					
	<u>\$ 611,745</u>	<u>\$ 219,599</u>	<u>\$ 2,810</u>	<u>\$ 83</u>					

<u>Business-type Activities</u>									
Year Ending June 30	<u>Water And Sewer</u>				<u>Storm Water</u>		<u>Public Transit</u>		
	<u>Direct Placements</u>		<u>Direct Placements</u>		<u>Direct Placements</u>				
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	
2023	\$ 1,640	\$ 123	\$ 6,636	\$ 294	\$ 320	\$ 26	\$ 8,920	\$ 9,064	
2024	1,640	41	6,767	159	330	16	9,365	8,618	
2025	-	-	2,238	76	334	12	9,820	8,150	
2026	-	-	2,272	43	339	6	10,295	7,685	
2027	-	-	1,149	9	172	1	10,780	7,197	
2028-2032	-	-	-	-	-	-	60,860	29,038	
2033-2037	-	-	-	-	-	-	47,280	15,971	
2038-2042	-	-	-	-	-	-	31,880	9,680	
2043-2047	-	-	-	-	-	-	36,960	4,603	
2048	-	-	-	-	-	-	8,070	242	
	<u>\$ 3,280</u>	<u>\$ 164</u>	<u>\$ 19,062</u>	<u>\$ 581</u>	<u>\$ 1,495</u>	<u>\$ 61</u>	<u>\$ 234,230</u>	<u>\$ 100,248</u>	

(4) 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 December 2, 2024. The City had direct placement general obligation bond anticipation notes payable of \$90,538 outstanding at June 30, 2022. 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>		
Year Ending June 30	Principal	Interest
2023	\$ -	\$ 1,041
2024	-	1,041
2025	90,538	442
	<u>\$ 90,538</u>	<u>\$ 2,524</u>

(5) 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 \$250,000. 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 10, 2024. The City had direct placement Water and Sewer revenue bond anticipation notes payable of \$250,000 outstanding at June 30, 2022. 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 \$300,000. 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 June 2, 2025. The City had Airport direct placement revenue bond anticipation notes payable of \$13,268 outstanding at June 30, 2022. 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	<u>Business-type Activities</u>			
	Water and Sewer		Airport	
	Principal	Interest	Principal	Interest
2023	\$ -	\$ 2,812	\$ -	\$ 154
2024	250,000	2,666	-	154
2025	-	-	13,268	142
	<u>\$ 250,000</u>	<u>\$ 5,478</u>	<u>\$ 13,268</u>	<u>\$ 450</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:

<u>Business-type Activities</u>	
Year Ended	
June 30	Principal
2023	\$ 66
2024	66
2025	66
2026	66
2027	66
2028-2032	316
	<u>\$ 646</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. As of June 30, 2022, direct borrowing loans totaling \$97,436 have been approved (but not fully disbursed). The maximum loan term is twenty years. As of June 30, 2022, interest rates varied from zero to 1.71 percent.

Debt service requirements to maturity are as follows:

<u>Business-type Activities</u>		
Year Ending		
June 30	Principal	Interest
2023	\$ 1,271	\$ 105
2024	4,518	1,210
2025	4,518	1,149
2026	4,518	1,087
2027	4,518	1,026
2028-2032	22,589	4,209
2033-2037	22,589	2,674
2038-2042	19,369	1,146
2043	3,247	55
	<u>\$ 87,137</u>	<u>\$ 12,661</u>

(6) Leases

The City has entered into agreements to lease certain land, office and warehouse facilities, machinery, and other equipment. The lease agreements qualify as other than short-term leases under GASB 87 and, therefore, have been recorded at the present value of the future minimum 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 two to twenty two 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 \$11,611 for governmental activities and \$12,174 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 2022, the City recognized \$1,191 in variable lease payments not previously included in the measurement of the lease liability. As of June 30, 2022, the City's lease payables were valued at \$13,231.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2022, were as follows:

Governmental Activities									
Year Ending June 30	Principal				Interest				
2023	\$	2,311	\$	119					
2024		1,483		102					
2025		1,374		87					
2026		1,189		72					
2027		1,208		59					
2028-2032		4,082		107					
2033-2034		138		2					
	\$	11,785	\$	548					

Business-type Activities									
Year Ending June 30	Water and Sewer		Storm Water		Airport		Public Transit		
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	
2023	\$ 178	\$ 10	\$ 10	-	\$ 107	\$ 5	\$ 123	\$ 1	
2024	129	8	-	-	49	4	19	-	
2025	129	7	-	-	46	3	-	-	
2026	131	5	-	-	46	3	-	-	
2027	137	3	-	-	47	2	-	-	
2028-2031	154	2	-	-	141	3	-	-	
	\$ 858	\$ 35	\$ 10	-	\$ 436	\$ 20	\$ 142	\$ 1	

(7) Derivative Instruments

The fair value balances and notional amounts of derivative instruments outstanding at June 30, 2022 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, 2022		
	Classification	Amount	Classification	Amount	Notional
<u>Governmental Activities</u>					
Cash flow hedges:					
Pay-fixed interest rate swap	Deferred outflow	\$ 21,471	Debt	\$ (17,696)	\$ 144,610
<u>Business-type Activities</u>					
Cash flow hedges:					
Pay-fixed interest rate swap	Deferred outflow	\$ 19,691	Debt	\$ (15,557)	\$ 126,470

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, 2022 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 2006B Water and Sewer Revenue Bonds	\$ 126,470	8/1/2006	7/1/2036	Pay 4.04%; receive SIFMA swap index	Aa2/A+
Pay-fixed interest rate swap	Hedge of changes in cash flows on the 2009D Hall of Fame Certificates of Participation	\$ 66,780	8/18/2009	6/1/2035	Pay 4.725%; receive LIBOR	Aa2/A+
Pay-fixed interest rate swap	Hedge of changes in cash flows on the 2013G Tourism Certificates of Participation	\$ 77,830	6/1/2013	6/1/2033	Pay 5.10%; receive SIFMA swap index	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 LIBOR, the bond floating rate swap index, or the SIFMA swap index 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, 2022, the rate received by the City for the 2006B agreement was 0.42 percent, whereas the bond floating rate paid by the City was 0.90 percent. As of June 30, 2022, the rate received by the City for the 2009D agreement was 1.36 percent, whereas the bond floating rate paid by the City was 1.65 percent. As of June 30, 2022, the rate received by the City for the 2013G agreement was 1.13 percent, whereas the bond floating rate paid by the City was 0.92 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, 2022, 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.

<u>Governmental Activities</u>				
Year Ending June 30	<u>Variable-Rate Instruments</u>		Hedging	Total
	Principal	Interest	Derivatives, Net	
2023	\$ 11,010	\$ 1,797	\$ 5,583	\$ 18,390
2024	11,595	1,689	4,892	18,176
2025	12,205	1,551	4,444	18,200
2026	12,870	1,408	3,986	18,264
2027	13,565	1,257	3,498	18,320
2028-2032	63,305	3,780	9,560	76,645
2033-2035	20,060	527	1,062	21,649
	\$ 144,610	\$ 12,009	\$ 33,025	\$ 189,644

<u>Business-type Activities</u>				
Year Ending June 30	<u>Variable-Rate Bonds</u>		Hedging	Total
	Principal	Interest	Derivatives, Net	
2023	\$ 5,875	\$ 807	\$ 4,199	\$ 10,881
2024	6,090	1,056	3,685	10,831
2025	6,320	1,003	3,500	10,823
2026	6,540	944	3,294	10,778
2027	6,780	884	3,084	10,748
2028-2032	37,785	3,441	12,004	53,230
2033-2037	57,080	1,490	5,198	63,768
	\$ 126,470	\$ 9,625	\$ 34,964	\$ 171,059

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, 2022 the aggregate fair value of all hedging derivative instruments with these collateral posting provisions is (\$33,253). If the collateral posting requirements were triggered at June 30, 2022 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, 2022.

(8) Refundings

In August 2021, the City issued \$164,730 in Transit Refunding Certificates of Participation, Series 2021A with interest rates ranging from one to five percent. The net proceeds of \$191,881 (after payment of \$1,043 in underwriting fees and other issue costs) were used to refund \$23,445 of outstanding fixed rate Transit Refunding Certificates of Participation, Series 2008A and \$168,430 in outstanding Transit Certificates of Participation, Series 2015D. The refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$659. This difference, reported in the accompanying financial statements as a gain on refundings, is being charged to operations through the year 2035 using the effective interest method. The City completed the refunding to reduce the total debt service payments over a period of 26 years by \$32,650 and to obtain an economic gain (difference between the present values of the old and new debt service payments) of \$27,279.

In December 2021, the City issued \$133,035 in General Obligation Refunding Bonds, Series 2021A with interest rates ranging from two to five percent. The net proceeds from this current refunding of \$150,274 (after payment of \$400 in underwriting fees and other issue costs) were used to redeem \$150,000 in outstanding General Obligation Bond Anticipation Notes, Series 2019C.

In June 2022, the City issued \$298,705 in Airport Revenue Bonds, Series 2022A with interest rates ranging from four to five percent. The net proceeds of \$305,779 (after payment of \$1,305 in underwriting fees and other issue costs) along with \$30,875 in available funds from the City were used to refund \$81,387 of outstanding Revenue Bond Anticipation Notes, Series 2021 and fund the debt service reserve fund for the 2022A bonds.

In June 2022, the City issued \$74,225 in Airport Revenue Bonds, Series 2022B with interest rates ranging from 4.25 to five percent. The net proceeds of \$76,409 (after payment of \$325 in underwriting fees and other issue costs) along with \$7,719 in available funds from the City were used to refund \$20,347 of outstanding Revenue Bond Anticipation Notes, Series 2021 and fund the debt service reserve fund for the 2022B bonds.

In June 2022, the City issued \$13,268 in Airport revenue bond anticipation notes, Series 2022 to refund \$13,268 in outstanding revenue bond anticipation notes, Series 2021.

(9) 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, 2022, \$120,205 of bonds outstanding are considered defeased.

As of June 30, 2022, the City has authorized but unissued bonds of \$472,274 consisting of \$268,405 for street improvements, \$75,000 for housing and \$128,869 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, 2022, the City's legal debt limit was \$12,047,878. The outstanding debt subject to this limit was \$2,225,118, leaving a net legal debt margin of \$9,822,760.

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, 2022, the City had no liability for estimated arbitrage profits payable.

Under an irrevocable letter of credit issued by MUFG Bank, Ltd, the City is entitled to draw an amount sufficient to pay the amount demanded under the sewer construction contract between the City and Crescent River District, LLC (the total amount not to exceed \$2,800). The letter of credit is valid through August 16, 2021 (automatically extended for successive one-year periods, unless MUFG Bank, Ltd. notifies the City at least 30 days before the then current expiration date that issuer elects not to extend the expiration date). The final expiration date is August 16, 2022.

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.

(10) Subsequent Events

On August 12, 2022, the City received \$2,849 in a direct borrowing state revolving loan through the North Carolina Department of Environmental Quality to be used for wastewater treatment plant improvements.

On September 14, 2022, the City issued \$464,680 in Water Sewer Refunding Revenue Bonds, Series 2022A, along with \$8,340 in available funds from the City, to refund \$120,595 of outstanding variable rate Water and Sewer System Revenue Bonds, Series 2006B, refund \$26,205 in fixed rate Water and Sewer System Revenue Refunding Bonds, Series 2011, prepay \$250,000 of outstanding Revenue Bond Anticipation Notes, Series 2021, and finance the cost of various water and sewer system improvements. The City completed the refunding to reduce the total debt service payments over a period of 31 years by \$1,587 and to obtain an economic gain (difference between the present values of the old and new debt service payments) of \$1,286.

On September 14, 2022, the City issued \$13,405 in taxable Water and Sewer System Revenue Bonds, Series 2022B, to pay the swap termination payment associated with the interest rate swap agreement related to the refunded 2006B bonds.

On September 14, 2022, the City entered into a direct placement Water and Sewer System Revenue Bond Anticipation Note, Series 2022, to finance the cost of various water and sewer system improvements. The aggregate principal amount of the note outstanding at any one time shall not exceed \$500,000.

On September 29, 2022, the City entered into a direct placement Storm Water Fee Revenue Bond Anticipation Note, Series 2022, to finance the cost of various improvements to its storm water system. The aggregate principal amount of the note outstanding at any one time shall not exceed \$125,000.

Under an irrevocable letter of credit issued by Pinnacle Bank, as of October 25, 2022, the City is entitled to draw an amount sufficient to pay the amount demanded under the sewer construction contract between the City and McEwen Manor Partners, LLC on behalf of Arey Properties, LLC (the total amount not to exceed \$240). The letter of credit is valid through April 26, 2023.

(11) Early Extinguishment

On July 1, 2021, the City early redeemed the balance in full (\$50,960) of the Airport Series 2011 CONRAC revenue bonds.

On May 16, 2022, the City early paid the balance in full (\$2,780) of the direct borrowing Section 108 loan.

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	\$ 212,484
Less:	
Nonspendable Leases	181
Nonspendable Prepaid Items	18
Stabilization by State Statute	73,364
Fund balance policy	125,568
Remaining Fund Balance - Committed for Capital Projects	<u>\$ 13,353</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, net pension liability and deferred inflows of resources related to pensions for LGERS, System and LEOSSA as follows:

	LGERS	Firefighters' System	LEOSSA	Total
Deferred Outflows of Resources - City contributions subsequent to the measurement date	\$ 55,104	\$ 14,942	\$ 5,228	\$ 75,274
Other Deferred Outflows	107,311	408,701	49,632	565,644
Net Pension Liability	104,952	130,298	187,209	422,459
Deferred Inflows of Resources - Pension deferrals	149,946	552,151	4,536	706,633
Pension Expense	48,266	34,415	24,828	107,509

Detailed information for all plans follows.

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 (age 55 for firefighters). 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 (15 years of creditable service for firefighters and rescue squad members who are killed in the line of duty) 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 employees 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, 2022, were 12.10 percent of compensation for law enforcement officers for the City and 11.35 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 pension plan from the City of Charlotte and the Authority, respectively, were \$55,104 and \$1,518 for the year ended June 30, 2022.

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, 2022, the City reported a liability of \$104,952 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020. The total pension liability was then rolled forward to the measurement date of June 30, 2021 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, 2021, the City's proportion was 6.844 percent which was an increase of 0.365 percent from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the City recognized pension expense of \$48,266. At June 30, 2022, 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	\$ 33,389	\$ -
Changes of assumptions	65,937	-
Net difference between projected and actual earnings on pension plan investments	-	149,946
Changes in proportion and differences between City contributions and proportionate share of contributions	7,985	-
City contributions subsequent to the measurement date	55,104	-
Total	<u>\$ 162,415</u>	<u>\$ 149,946</u>

\$55,104 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, 2023. 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	
2023	\$ 12,985
2024	(179)
2025	(9,556)
2026	(45,884)
Thereafter	-
	<u>\$ (42,634)</u>

Component Unit – At June 30, 2022, the Authority reported a liability of \$3,672 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021. The total pension liability was then rolled forward to the measurement date of June 30, 2021 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, 2021, the Authority's proportion was 0.239 percent which was a decrease of 0.008 percent from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the Authority recognized pension expense of \$1,346. At June 30, 2022, 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	\$ 1,168	\$ -
Changes of assumptions	2,307	-
Net difference between projected and actual earnings on pension plan investments	-	5,246
Changes in proportion and differences between Authority contributions and proportionate share of contributions	14	313
Authority contributions subsequent to the measurement date	1,518	-
Total	<u>\$ 5,007</u>	<u>\$ 5,559</u>

\$1,518 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, 2023. Other amounts reported as deferred inflows of resources (net of deferred outflows of \$3,489) related to pensions will be recognized in pension expense as follows:

Year Ending June 30	
2023	\$ 239
2024	(227)
2025	(477)
2026	(1,605)
Thereafter	-
	<u>\$ (2,070)</u>

Actuarial Assumptions: The total pension liability in the December 31, 2020 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, 2020 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, 2021 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed Income	29.0%	1.4%
Global Equity	42.0%	5.3%
Real Estate	8.0%	4.3%
Alternatives	8.0%	8.9%
Credit	7.0%	6.0%
Inflation Protection	6.0%	4.0%
Total	<u>100.0%</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 3.00 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)	\$ 407,416	\$ 104,952	\$ (143,958)
Authority	14,255	3,672	(5,037)

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.

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) 336-4431.

Plan Membership: At June 30, 2021, the Measurement Date, System membership consisted of the following:

Retired participants and beneficiaries currently receiving benefits	780
Terminated participants and beneficiaries entitled to benefits but not yet receiving benefits	14
Active participants	1,103
Total	<u>1,897</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 \$14,942 for the year ended June 30, 2022.

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, 2022 managed by the following organizations that represented five percent or more of the System's net position:

State Street Global Advisors	35%
Barrow Hanley	18%
Morgan Stanley	8%
UBS Trumbull Property Fund	6%
Lazard / Wilmington Collective Trust	5%
JPMorgan Chase Strategic Property Fund	5%
Robeco Investment Management	5%

Rate of Return: For the year ended June 30, 2021, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 25.35 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, 2022, the System reported a liability of \$130,298. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021.

Actuarial Assumptions: The total pension liability in the July 1, 2021 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	7.25%, 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% 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.

The actuarial assumptions used in the July 1, 2021 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 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%	7.6%
International Equity	26.0%	7.5%
Domestic Fixed Income	23.0%	3.0%
Non U.S. Fixed Income	5.0%	2.3%
Real Estate	10.0%	6.2%
Total	100.0%	

Discount Rate: The discount rate used to measure the total pension liability was 7.25 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 7.25 percent was applied to all periods of projected benefit payments. The Single Equivalent Interest Rate (SEIR) of 7.25 percent was used to determine the total pension liability as of June 30, 2021.

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, 2020	\$ 1,244,191	\$ 558,040	\$ 686,151
Service cost	54,725	-	54,725
Interest	41,371	-	41,371
Difference between expected and actual experience	23,596	-	23,596
Changes of assumptions or other inputs	(516,846)	-	(516,846)
Contributions-employer	-	12,768	(12,768)
Contributions-employee	-	11,910	(11,910)
Net investment income	-	134,699	(134,699)
Benefit payments, including refunds of employee contributions	(40,409)	(40,409)	-
Administrative expense	-	(612)	612
Other Changes	-	(66)	66
Balances at June 30, 2021	<u>\$ 806,628</u>	<u>\$ 676,330</u>	<u>\$ 130,298</u>

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 7.25 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 (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%)
System's net pension liability	\$ 229,122	\$ 130,298	\$ 47,580

For the year ended June 30, 2022, the System recognized pension expense of \$34,415. At June 30, 2022, 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	\$ 58,056	\$ 2,910
Changes of assumptions	350,645	492,393
Net difference between projected and actual earnings on pension plan investments	-	56,848
City contributions subsequent to the measurement date	14,942	-
Total	<u>\$ 423,643</u>	<u>\$ 552,151</u>

\$14,942 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, 2023. 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	
2023	\$ (6,079)
2024	(4,531)
2025	(31,334)
2026	(36,537)
2027	(13,063)
Thereafter	(51,906)
	<u>\$ (143,450)</u>

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	\$ 8,494
Receivables:	
Employer contributions	600
Member contributions	425
Interest and dividends	546
Total receivables	<u>1,571</u>
Prepaid items	44
Investments:	
Equity securities - stocks	60,862
Fixed income securities - bonds	119,705
Mutual funds	384,416
Total investments	<u>564,983</u>
Capital assets	671
Less accumulated depreciation	534
Total capital assets, net	<u>137</u>
Total assets	575,229
Liabilities:	
Accounts payable	626
Net Position:	
Restricted for pensions	<u>\$ 574,603</u>

Statement of Changes in Net Position

Additions:	
Contributions-	
Member	\$ 12,418
Employer	14,942
Total contributions	<u>27,360</u>
Investment income -	
Net appreciation in fair value of investments	(86,920)
Interest	2,425
Dividends	2,398
Total investment income	<u>(82,097)</u>
Investment expense	2,850
Net investment income	<u>(84,947)</u>
Total additions	<u>(57,587)</u>
Deductions:	
Benefits	42,415
Refunds	945
Administration	714
Depreciation	66
Total deductions	<u>44,140</u>
Change in net position	(101,727)
Net position - beginning	676,330
Net position - ending	<u>\$ 574,603</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, 2020, the LEOSSA's membership consisted of:

Inactive plan members currently receiving benefits	453
Active plan members	1,758
Total	<u>2,211</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, 2020 valuation. The total pension liability in the December 31, 2020 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	2.25%

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% 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.

December 31, 2020 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, 2021 is shown in the following table:

	TPL Reported for Year Ending 2020	Development of TPL for Year Ending 2021 Prior to Assumption Change	Development of TPL for Year Ending 2021 after Assumption Change
TPL Roll Forward			
Interest Rate	1.93%	1.93%	2.25%
Valuation Date for Measurement	12/31/2019	12/31/2020	12/31/2020
TPL as of December 31, 2020	\$ 172,832	\$ 190,411	\$ 185,938
Entry Age Normal Cost for the period January 1, 2021 - December 31, 2021 at the End of the Year	7,323	7,323	6,890
Actual Benefit Payments for the Period January 1, 2021 - December 31, 2021 at the End of the Year	9,694	9,694	9,694
TPL as of December 31, 2021	\$ 173,702	\$ 191,621	\$ 187,209
Experience Actuarial (Gain)/Loss		\$ 17,919	
Discount Rate Change (Gain)/Loss			\$ (4,413)

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 \$9,694 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, 2022, the LEOSA reported a total pension liability of \$187,209. The total pension liability was measured as of December 31, 2021 based on a December 31, 2020 actuarial valuation. The total pension liability was then rolled forward to the measurement date of December 31, 2021 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2022, the City recognized pension expense of \$24,828.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 22,035	\$ -
Changes of assumptions and other inputs	27,597	4,536
City contributions subsequent to the measurement date	5,228	-
Total	<u>\$ 54,860</u>	<u>\$ 4,536</u>

\$5,228 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, 2023 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	
2023	\$ 13,405
2024	13,334
2025	11,674
2026	5,967
2027	716
Thereafter	-
	<u>\$ 45,096</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 2.25 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 (1.25 percent) or one percentage point higher (3.25 percent) than the current rate:

	1% Decrease (1.25%)	Discount Rate (2.25%)	1% Increase (3.25%)
Total pension liability	\$ 201,389	\$ 187,209	\$ 174,154

Schedule of Changes in Total Pension Liability

Total pension liability as of December 31, 2020	\$ 172,832
Service cost	7,323
Interest	3,242
Difference between expected and actual experience	17,919
Changes of assumptions and other inputs	(4,413)
Benefit payments	(9,694)
Total pension liability as of December 31, 2021	<u>\$ 187,209</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, 2020 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.

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 1,663 law

enforcement officers. Contributions for the year ended June 30, 2022 were \$15,457, which consisted of \$7,266 from the City and \$8,191 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 (LERS), 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, 2022, 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, 2021 the EBTP membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits payments	2,208
Active participants	3,003
Total	5,211

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 \$221 to \$4,709 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
10 less than 15 years	0%	0%
15 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 \$16,081 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	100%

Rate of Return: For the year ended June 30, 2022, the annual money market weighted rate of return on investment, net of investment expenses was 7.25 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, 2022 were as follows:

Total OPEB liability	\$ 463,295
Plan fiduciary net position	131,184
City's net OPEB liability	<u>\$ 332,111</u>
Plan fiduciary net position as a percentage of the Total OPEB liability	28.32%

Actuarial Assumptions: The total OPEB liability was determined on an actuarial valuation as of June 30, 2021, 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	2.16%
Measurement Date	3.54%
Year FNP is projected to be depleted	
Prior Measurement Date	N/A
Measurement Date	2047
Single Equivalent Interest Rate, net of OPEB plan investment expense, including price inflation	
Prior Measurement Date	7.40%
Measurement Date	5.28%
Health Care Cost Trends	
Pre-Medicare Medical and Prescription Drug	7.00% for 2021 decreasing to an ultimate rate of 4.50% by 2031
Medicare Medical and Prescription Drug	5.25% for 2021 decreasing to an ultimate rate of 4.50% by 2025

Total OPEB liabilities were rolled forward to June 30, 2021 and June 30, 2022 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, 2021 was 5.28 percent. The projection's basis was an actuarial valuation performed as of June 30, 2020.

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate: The following exhibit presents the net OPEB liability of the EBTP as of June 30, 2022 as well as what the EBTP's liability would be if it were calculated using a discount rate that is one percentage point lower (4.28 percent) or one percentage point higher (6.28 percent) than the current rate.

	1% Decrease (4.28%)	Discount Rate (5.28%)	1% Increase (6.28%)
Net OPEB liability	\$ 399,253	\$ 332,111	\$ 277,737

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates: The following presents the net OPEB liability of EBTP as of June 30, 2022, 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	\$ 267,127	\$ 332,111	\$ 413,198

Changes in Net OPEB Liability, OPEB Expenses, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB as of June 30, 2022, EBTP reported a net OPEB liability of \$332,111. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2021. The total OPEB liability was then rolled forward to the measurement date of June 30, 2022, utilizing update procedures incorporating the actuarial assumptions.

At June 30, 2022, the components of the net OPEB liability of the EBTP, measured as of June 30, 2022, were as follows:

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a)-(b)
Balances at June 30, 2021	\$ 346,614	\$ 161,748	\$ 184,866
Service cost	4,634	-	4,634
Interest	25,121	-	25,121
Difference between expected and actual experience	(2,333)	-	(2,333)
Changes of assumptions or other inputs	103,796	-	103,796
Contributions-employers	-	15,550	(15,550)
Net investment income	-	(29,675)	29,675
Administrative expense	-	(14,537)	14,537
Benefit payments	(14,537)	(1,902)	(12,635)
Net change	116,681	(30,564)	147,245
Balances at June 30, 2022	\$ 463,295	\$ 131,184	\$ 332,111

(Dollar Amounts in Thousands)

Changes of Assumptions: Changes of assumptions and other inputs reflect a change in the discount rate from 7.40 percent in 2021 to 5.28 percent in 2022. Medical claims cost and rates were changed based on most recent experience and changed to the current schedule. The Excise Tax of 40 percent on healthcare plans that are above the thresholds set by the Affordable Care Act will be effective in 2022 and have been reflected.

For the year ended June 30, 2022, the EBTP recognized OPEB income of (\$24,346). At June 30, 2022, 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	\$ 1,365	\$ 47,571
Changes of assumptions or other inputs	141,608	158,543
Net difference between projected and actual earnings on plan investments	24,224	-
Total	<u>\$ 167,197</u>	<u>\$ 206,114</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	
2023	\$ (44,049)
2024	(21,384)
2025	10,678
2026	15,838
Thereafter	-
	<u>\$ (38,917)</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	\$	845
Receivables:		
Interest and dividends		3
Investments:		
Mutual funds		130,339
Total assets		<u>131,187</u>
Liabilities:		
Accounts payable		<u>3</u>
Net Position:		
Net position restricted for OPEB	\$	<u>131,184</u>

Statement of Changes in Net Position - Other Employee Benefit Trust

Additions:		
Contributions-		
Employer	\$	15,550
Investment income -		
Net appreciation in fair value of investments		(29,677)
Interest		242
Total investment income		<u>(29,435)</u>
Investment expense		240
Net investment income		<u>(29,675)</u>
Total additions		<u>(14,125)</u>
Deductions:		
Benefits		6,792
Insurance premiums		7,745
Administration		1,902
Total deductions		<u>16,439</u>
Change in net position		<u>(30,564)</u>
Net position - beginning		<u>161,748</u>
Net position - ending	\$	<u>131,184</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. For the year ended June 30, 2022, the City contributed \$1,902.

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, 2022 were as follows:

Land	\$ 406,538
Buildings	1,381,566
Runways	536,134
Improvements other than buildings	369,228
Intangibles	18,791
Machinery and equipment	168,791
Total	<u>2,881,048</u>
Less: accumulated depreciation	<u>1,106,450</u>
Total	<u>\$ 1,774,598</u>

b. Passenger Facility Charges

The Federal Aviation Administration (FAA) authorized the Airport to collect Passenger Facility Charges (PFC) of \$3 per qualifying enplaned passenger commencing November 1, 2004. 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 \$3,258,937. Cash collections during fiscal year 2022 were \$61,572 and aggregate collections from inception through June 30, 2022 were \$964,249.

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
2022	\$ 12,399	\$ 88,368	\$ (88,580)	\$ 12,187
2021	10,463	92,610	(90,674)	12,399

At June 30, 2022 the EHLIF held \$30,265 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 \$40,000 and drone liability in the amount of \$2,000. The finance officer is bonded for \$100. Employees who handle funds or have access to inventories are bonded under a blanket bond 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 and establish a reserve for catastrophic losses.

Pursuant to administrative agreements, the City provides risk management services to Mecklenburg County and the Charlotte-Mecklenburg Board of Education. 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 and the Charlotte-Mecklenburg Board of Education are reported as a net liability on an accrual basis. At June 30, 2022, \$12,256 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 \$60,916 reported in the RMF at June 30, 2022, 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
2022	\$ 54,383	\$ 26,404	\$ (19,871)	\$ 60,916
2021	47,792	25,049	(18,458)	54,383

At June 30, 2022 the RMF held \$79,836 in cash and cash equivalents for payments of these claims.

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 \$707 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.

On April 5, 2022, the North Carolina Court of Appeals issued an opinion affirming the partial summary judgment granted to Plaintiffs, which required the City to pay the Plaintiffs all capacity fees assessed between FY15 and FY18. The City filed a petition for discretionary review with the North Carolina Supreme Court, which the Court subsequently denied on August 19, 2022. At this time, a determination on the exact liability remains outstanding, however the City estimates the amount to be at least \$80 million and has recorded this as accounts payable and administrative expenses on the accompanying financial statements of the Water and Sewer fund. Any payments will be made subsequent to year end but a final amount has still not been determined as November 3, 2022.

The case also remains before the Mecklenburg County Superior Court for all capacity fees assessed between FY19 to present and litigation is ongoing. A separate case, Daedalus, LLC v. City of Charlotte (State Court 21-CVS-6852), was consolidated into this litigation. If the Court rules against the City for all capacity fees assessed between FY19 to present, then the city would have a right to appeal as well.

Authorized capital projects at June 30, 2022 are comprised of the following by fund:

	Project Authorization	Expended	Unexpended
<u>Governmental</u>			
Capital Projects	\$ 3,780,760	\$ 2,748,002	\$ 1,032,758
<u>Enterprise</u>			
Water and Sewer	4,162,513	3,488,203	674,310
Storm Water	1,028,856	904,600	124,256
Airport	2,777,465	2,095,186	682,279
Public Transit	2,370,518	2,043,908	326,610
Total Enterprise	10,339,352	8,531,897	1,807,455
Total	\$ 14,120,112	\$ 11,279,899	\$ 2,840,213

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	\$ 14,369
General COVID Relief	6,742
Capital Projects	172,111
Nonmajor governmental	29,616
Total	<u>\$ 222,838</u>

The City has construction and other contractual commitments at June 30, 2022 as follows by fund:

<u>Governmental</u>	
General	\$ 188,336
Nonmajor governmental	24,363
Total Governmental	<u>212,699</u>
<u>Enterprise</u>	
Water and Sewer	329,867
Storm Water	77,407
Airport	149,387
Public Transit	19,962
Total Enterprise	<u>576,623</u>
Total	<u>\$ 789,322</u>

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 \$250 annually (escalating at five percent per year) 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 \$200 million project 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 \$215 million in capital renovations and upgrades that increase the competitiveness and help bring additional events to the City. The Hornets have agreed to take on any cost overruns related to the \$215 million capital improvements, as well as extend their lease until 2045. The first tranche of financing for the capital repairs is expected in 2023. In 2014 to each contribute an additional \$600 annually to a capital reserve and invest \$27.5 million in capital improvements to Spectrum Center Arena that will align amenities and technology with other NBA facilities. The City issued \$15 million of their commitment on June 25, 2015. The remaining \$12.5 million was issued in fiscal year 2019. The City and the Hornets will review the need for additional capital improvements in the next few years.

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 April 22, 2013, the City Council approved business terms with the Carolina Panthers to fund improvements to Bank of America Stadium as part of a ten-year partnership and authorized the City Manager to develop an agreement with Panthers Stadium, LLC and Panthers Football, LLC consistent with the approved business terms. The agreement called for \$87.5 million in local funding for stadium improvements and the City provided traffic control work. The first \$28.0 million for escalators, entry, and lighting improvements was issued by the City on October 22, 2013. \$1.25 million in operating funds will be appropriated annually for ten years to fund the traffic control. In May 2015, the City issued \$23.5 million for additional technology, infrastructure and landscape improvements to the stadium. The final \$23.5 million in additional capital funding was issued June 1, 2016. In November 2019, City Council approved funding of \$35.0 million for capital improvements to the stadium to accommodate Charlotte's newly awarded Major League Soccer franchise Charlotte FC (Football Club) as well as capital improvements to support Charlotte's FC's youth academy, which will be located at a separate site.

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, 2022, American Airlines and its affiliates provided 28.82 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, JetBlue 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. Restatement for Change in Estimated Useful Lives and Component Unit OPEB

Restatement for Change in Long-Term Loans Receivable

During fiscal year 2022, the City identified long-term loans receivable which should have been reported in fiscal year 2021. As a result, long-term loans receivable were understated and capital outlay in the Capital Projects fund was overstated as of June, 30, 2021 by \$19,359.

Restatement for Change in Estimated Useful Lives

During fiscal year 2022, the City identified capital assets where estimated lives were not in compliance with the City's Capital Assets Policy which went into effect October 1, 2020. As a result, accumulated depreciation as of June, 30, 2021 was overstated by \$23,198.

Restatement for Component Unit OPEB

During 2022, the CRVA determined that the OPEB valuation completed for the fiscal year 2021 financial statements were using outdated plan information. As a result, the OPEB liability, OPEB deferred outflows and the OPEB expense was overstated and OPEB deferred inflows were understated as of June 30, 2021.



Required Supplementary Information, Combining And Individual Fund Statements and Schedules

Annual Comprehensive Financial Report 2022



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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 (LGERS)

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

LAST NINE FISCAL YEARS *

(Dollar Amounts In Thousands)

Valuation Date Measurement Date Reporting Date	December 31, 2012 June 30, 2013 June 30, 2014	December 31, 2013 June 30, 2014 June 30, 2015	December 31, 2014 June 30, 2015 June 30, 2016	December 31, 2015 June 30, 2016 June 30, 2017
Proportion of the net pension liability (asset) (%)	5.89290%	(5.88149)%	5.89461%	6.04890%
Proportion of the net pension liability (asset) (\$)	\$ 71,032	\$ (32,461)	\$ 26,455	\$ 128,378
Covered payroll	\$ 317,369	\$ 358,413	\$ 327,094	\$ 350,856
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	22.38%	(9.06)%	8.09%	36.59%
Plan fiduciary net position as a percentage of the total pension liability**	94.35%	102.47%	98.09%	91.47%

* 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 LGERS plan.

This schedule will not present ten years of fiscal information until 2023.

December 31, 2016 June 30, 2017 June 30, 2018	December 31, 2017 June 30, 2018 June 30, 2019	December 31, 2018 June 30, 2019 June 30, 2020	December 31, 2019 June 30, 2020 June 30, 2021	December 31, 2020 June 30, 2021 June 30, 2022
6.11504%	6.25266%	6.32044%	6.47820%	6.84354%
\$ 93,421	\$ 148,334	\$ 172,606	\$ 231,494	\$ 104,952
\$ 381,739	\$ 397,056	\$ 425,364	\$ 454,357	\$ 473,265
24.47%	37.36%	40.58%	50.95%	22.18%
94.18%	91.63%	90.86%	88.61%	95.51%

FINANCIAL SECTION

Required Supplementary Information, Combining And Individual Fund Statements and Schedules

CITY OF CHARLOTTE, NORTH CAROLINA

LOCAL GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM (LGERS)

SCHEDULE OF CITY OF CHARLOTTE CONTRIBUTIONS

LAST NINE FISCAL YEARS

(Dollar Amounts In Thousands)

	2014	2015	2016	2017	2018
Contractually required contribution	\$ 23,348	\$ 24,288	\$ 23,959	\$ 28,613	\$ 30,712
Contributions in relation to the contractually required contribution	23,348	24,288	23,959	28,613	30,712
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Charlotte's covered payroll	\$ 358,413	\$ 327,094	\$ 350,856	\$ 381,739	\$ 397,056
Contributions as a percentage of covered payroll	6.51%	7.43%	6.83%	7.50%	7.73%

This schedule will not present ten years of fiscal information until 2023.

2019	2020	2021	2022
\$ 33,945	\$ 41,715	\$ 49,054	\$ 55,104
33,945	41,715	49,054	55,104
\$ -	\$ -	\$ -	\$ -
\$ 425,364	\$ 454,357	\$ 473,265	\$ 476,720
7.98%	9.18%	10.37%	11.56%

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 EIGHT FISCAL YEARS
(Dollar Amounts In Thousands)

Valuation Date	July 1, 2014	July 1, 2015	July 1, 2016	July 1, 2017
Measurement Date	July 1, 2014	July 1, 2015	July 1, 2016	June 30, 2017
Reporting Date	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018
Total Pension Liability				
Service cost	\$ 13,967	\$ 15,049	\$ 15,387	\$ 26,438
Interest	34,249	36,036	37,984	37,701
Benefit changes	-	-	-	-
Difference between expected and actual experience	-	1,664	(2,503)	19,244
Change of assumptions	-	-	211,217	(60,216)
Benefit payments	(23,928)	(26,406)	(28,333)	(31,075)
Refunds of contributions	67	(69)	(416)	(70)
Net change in Total Pension Liability	24,355	26,274	233,336	(7,978)
Total Pension Liability - Beginning	453,858	478,213	504,487	737,823
Total Pension Liability - Ending (a)	\$ 478,213	\$ 504,487	\$ 737,823	\$ 729,845
Plan Net Position				
Contributions - employer	\$ 8,348	\$ 8,589	\$ 8,694	\$ 9,106
Contributions - employee	8,723	9,138	8,991	9,636
Net investment income	73,559	20,373	2,266	57,681
Benefit payments	(23,928)	(26,406)	(28,333)	(31,075)
Administrative expense	(691)	(625)	(657)	(621)
Refunds of contributions	67	(69)	(416)	(70)
Other	-	-	-	(13)
Net change in Plan Net Position	66,078	11,000	(9,455)	44,644
Plan Net Position - Beginning	407,497	473,575	484,575	475,120
Plan Net Position - Ending (b)	\$ 473,575	\$ 484,575	\$ 475,120	\$ 519,764
Net Pension Liability - Ending (a) - (b)	\$ 4,638	\$ 19,912	\$ 262,703	\$ 210,081
Plan net position as a percentage of total pension liability	99.03%	96.05%	64.39%	71.22%
Covered payroll	\$ 65,992	\$ 67,897	\$ 68,727	\$ 71,984
Net pension liability as a percentage of covered payroll	7.03%	29.33%	382.24%	291.84%

This schedule will not present ten years of fiscal information until 2024.

Required Supplementary Information, Combining And Individual Fund Statements and Schedules

July 1, 2018 June 30, 2018 June 30, 2019	July 1, 2019 June 30, 2019 June 30, 2020	July 1, 2020 June 30, 2020 June 30, 2021	July 1, 2021 June 30, 2021 June 30, 2022
\$ 24,023	\$ 22,649	\$ 26,921	\$ 54,725
41,792	44,028	46,105	41,371
-	9,692	-	-
(4,229)	25,476	16,673	23,596
(31,043)	85,552	315,693	(516,846)
(33,120)	(35,709)	(38,642)	(39,878)
(212)	(416)	(887)	(531)
(2,789)	151,272	365,863	(437,563)
729,845	727,056	878,328	1,244,191
\$ 727,056	\$ 878,328	\$ 1,244,191	\$ 806,628
\$ 9,333	\$ 10,193	\$ 11,450	\$ 12,768
9,909	10,610	10,770	11,910
46,981	22,930	17,216	134,699
(33,120)	(35,709)	(38,642)	(39,878)
(735)	(583)	(672)	(612)
(212)	(416)	(887)	(531)
(28)	(49)	(63)	(66)
32,128	6,976	(828)	118,290
519,764	551,892	558,868	558,040
\$ 551,892	\$ 558,868	\$ 558,040	\$ 676,330
\$ 175,164	\$ 319,460	\$ 686,151	\$ 130,298
75.91%	63.63%	44.85%	83.85%
\$ 73,779	\$ 80,577	\$ 82,609	\$ 91,200
237.42%	396.47%	830.60%	142.87%

FINANCIAL SECTION*Required Supplementary Information, Combining And Individual Fund Statements and Schedules***CITY OF CHARLOTTE, NORTH CAROLINA****CHARLOTTE FIREFIGHTERS' RETIREMENT SYSTEM (SYSTEM)****SCHEDULE OF EMPLOYER CONTRIBUTIONS****LAST TEN FISCAL YEARS****(Dollar Amounts in Thousands)**

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Actuarially determined employer contribution	\$ 9,214	\$ 10,849	\$ 11,454	\$ 10,206	\$ 9,495	\$ 13,088	\$ 14,625	\$ 14,713	\$ 19,188	\$ 26,998
Actual employer contributions	8,100	8,348	8,589	8,694	9,106	9,333	10,193	11,450	12,768	14,942
Annual contribution deficiency (excess)	<u>\$ 1,114</u>	<u>\$ 2,501</u>	<u>\$ 2,865</u>	<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>
Covered payroll	\$ 64,032	\$ 65,992	\$ 67,897	\$ 68,727	\$ 71,984	\$ 73,779	\$ 80,577	\$ 82,609	\$ 91,200	\$ 93,388
Actual contributions as a percentage of covered payroll	12.65%	12.65%	12.65%	12.65%	12.65%	12.65%	12.65%	13.86%	14.00%	16.00%

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, open
Remaining amortization period	15 - 30 years
Asset valuation method	5-year smoothed market
Inflation	2.50%
Salary increases	3.75 – 9.00%, including inflation
Investment rate of return	7.25%, 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 SIX FISCAL YEARS

(Dollar Amounts In Thousands)

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

The City of Charlotte has no assets accumulated in a trust that meets the criteria of GASB codification P22.101 or P52.101 to pay related benefits for the pension/OPEB Plan.

The amounts presented for this fiscal year were determined as of December 31, 2020 for the current fiscal year.

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

December 31, 2018 December 31, 2019 June 30, 2020	December 31, 2019 December 31, 2020 June 30, 2021	December 31, 2020 December 31, 2021 June 30, 2022
\$ 3,654	\$ 4,116	\$ 7,322
4,053	3,980	3,242
8,096	6,082	17,918
3,315	41,031	(4,412)
(7,788)	(8,915)	(9,694)
11,330	46,294	14,376
115,208	126,538	172,832
\$ 126,538	\$ 172,832	\$ 187,208
\$ 131,791	\$ 139,519	\$ 156,575
96.01%	123.88%	119.56%

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 SIX FISCAL YEARS
(Dollar Amounts In Thousands)

Valuation Date	July 1, 2017	July 1, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021
Measurement Date	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022
Reporting Date	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022
Total OPEB Liability						
Service cost	\$ 7,002	\$ 7,545	\$ 8,123	\$ 10,615	\$ 17,691	\$ 4,634
Interest	23,432	24,372	24,031	22,012	19,173	25,121
Difference between expected and actual experience	(294)	-	(106,807)	3,218	(39,053)	(2,333)
Changes of assumptions or other inputs	-	-	(45,850)	145,782	(275,389)	103,796
Benefit payments	(14,639)	(25,143)	(15,592)	(18,016)	(8,819)	(14,537)
Net change in Total OPEB Liability	15,501	6,774	(136,095)	163,611	(286,397)	116,681
Total OPEB Liability - beginning	583,220	598,721	605,495	469,400	633,011	346,614
Total OPEB Liability - ending	598,721	605,495	469,400	633,011	346,614	463,295
Plan Fiduciary Net Position						
Contributions - employer	16,361	20,454	21,689	19,957	44,303	15,550
Net investment income	7,532	5,881	4,730	1,224	26,988	(29,674)
Benefit payments	(14,639)	(14,782)	(15,592)	(18,016)	(8,818)	(14,537)
Additional contributions into the trust	-	20,325	-	-	-	-
Administrative expense	(232)	(266)	(223)	(1,984)	(1,774)	(1,903)
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)
Plan Fiduciary Net Position - beginning	53,261	60,439	89,305	99,909	101,049	161,748
Plan Fiduciary Net Position - ending	60,439	89,305	99,909	101,049	161,748	131,184
Net OPEB Liability - ending	\$ 538,282	\$ 516,190	\$ 369,491	\$ 531,962	\$ 184,866	\$ 332,111

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 SIX FISCAL YEARS
(Dollar Amounts In Thousands)

	2017	2018	2019	2020	2021	2022
Total OPEB Liability	\$ 598,721	\$ 605,495	\$ 469,400	\$ 633,011	\$ 346,614	\$ 463,295
Plan Fiduciary Net Position	60,439	89,305	99,909	101,049	161,748	131,184
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>
Plan Fiduciary Net Position as a percentage of the Total OPEB Liability	10.09%	14.75%	21.28%	15.96%	46.67%	28.32%
Covered Payroll	\$ 402,489	\$ 402,489	\$ 252,834	\$ 252,834	\$ 240,688	\$ 222,802
Net OPEB Liability as a percentage of covered payroll	133.74%	128.25%	146.14%	210.40%	76.81%	149.06%

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 CONTRIBUTIONS AND INVESTMENT RETURNS
LAST SIX 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, 2020, 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	2.16%
Measurement Date	3.54%
Year FNP is projected to be depleted	
Prior Measurement Date	N/A
Measurement Date	2047
Single Equivalent Interest Rate, net of OPEB plan investment expense, including price inflation	
Prior Measurement Date	7.40%
Measurement Date	5.28%
Health Care Cost Trends	
Pre-Medicare Medical and Prescription Drug	7.00% for 2020 decreasing to an ultimate rate of 4.50% by 2030
Medicare Medical and Prescription Drug	5.25% for 2020 decreasing to an ultimate rate of 4.50% by 2024

	2017	2018	2019
Annual money-weighted rate of return, net of investment expenses	13.84%	7.60%	4.38%

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

2020	2021	2022
\$ 26,605	\$ 26,605	\$ 24,483
19,957	44,303	15,550
<u>\$ 6,648</u>	<u>\$ (17,698)</u>	<u>\$ 8,933</u>
\$ 252,834	\$ 240,688	\$ 222,802
7.89%	18.41%	6.98%

2020	2021	2022
1.30%	25.41%	(18.28%)



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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.
- American Rescue 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 COVID-19 public health emergency.
- 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.
- Employment and Training Fund – Accounts for federal grants to be used for activities providing comprehensive employment and training services to enable individuals to secure and retain employment at their maximum capacity.
- 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, 2022
(Dollar Amounts in Thousands)

	Special Revenue Funds				
	Convention Center Tax	Tourism	Hall of Fame Tax	Municipal Services District	Public Safety and Other Grants
Assets:					
Cash, cash equivalents and investments	\$ 57,214	\$ 76,786	\$ 27,419	\$ 233	\$ 12,868
Receivables, net:					
Property taxes	-	-	-	95	-
Accounts	-	14	-	1	-
Lease receivable	-	59	-	-	-
Total receivables	-	73	-	96	-
Due from other governmental agencies	6,059	2,545	1,630	10	5,011
Prepaid items	-	-	-	-	176
Restricted assets - investments	-	-	-	-	-
Notes receivable	-	-	-	-	-
Total assets	\$ 63,273	\$ 79,404	\$ 29,049	\$ 339	\$ 18,055
Liabilities, deferred inflows of resources and fund balances					
Liabilities:					
Accounts payable	\$ -	\$ 322	\$ -	\$ 239	\$ 1,007
Deposits and retainage payable	-	34	-	-	-
Due to other funds	-	-	-	6	-
Due to component unit	-	-	143	-	-
Unearned revenues	-	-	-	-	756
Total liabilities	-	356	143	245	1,763
Deferred inflows of resources:					
Leases	-	58	-	-	-
Unavailable revenues	-	14	-	96	61
Total deferred inflows of resources	-	72	-	96	61
Fund balances:					
Nonspendable:					
Leases	-	1	-	-	-
Perpetual care	-	-	-	-	-
Prepaid items	-	-	-	-	176
Restricted:					
Public safety	-	-	-	-	11,648
Cultural and recreation	63,273	78,975	28,906	-	-
Community planning and development	-	-	-	-	1,227
Streets and highways	-	-	-	-	3,180
Unassigned	-	-	-	(2)	-
Total fund balances	63,273	78,976	28,906	(2)	16,231
Total liabilities and fund balances	\$ 63,273	\$ 79,404	\$ 29,049	\$ 339	\$ 18,055

Special Revenue Funds							Permanent Fund	Total Nonmajor Governmental Funds
American Rescue Plan Act	National Opioid Settlement	Neighborhood Development	Employment and Training	State Street Aid	Emergency Telephone System	Total	Perpetual Care	
\$ 47,338	\$ 309	\$ 5,321	\$ -	\$ 3,979	\$ 6,001	\$ 237,468	\$ 3,222	\$ 240,690
-	-	-	-	-	-	95	-	95
-	-	-	-	-	-	15	-	15
-	-	-	-	-	-	59	-	59
-	-	-	-	-	-	169	-	169
17,019	-	1,709	-	550	257	34,790	-	34,790
-	-	-	-	-	128	304	-	304
64,056	-	-	-	-	-	64,056	-	64,056
-	-	23,476	-	-	-	23,476	-	23,476
\$ 128,413	\$ 309	\$ 30,506	\$ -	\$ 4,529	\$ 6,386	\$ 360,263	\$ 3,222	\$ 363,485
\$ 140	\$ -	\$ 738	\$ -	\$ 2,317	\$ 210	\$ 4,973	\$ -	\$ 4,973
-	-	104	-	497	-	635	-	635
-	-	-	-	-	-	6	-	6
-	-	-	-	-	-	143	-	143
128,169	-	-	-	-	-	128,925	-	128,925
128,309	-	842	-	2,814	210	134,682	-	134,682
-	-	-	-	-	-	58	-	58
-	-	50	-	-	-	221	-	221
-	-	50	-	-	-	279	-	279
-	-	-	-	-	-	1	-	1
-	-	-	-	-	-	-	3,222	3,222
-	-	-	-	-	128	304	-	304
104	309	-	-	-	6,048	18,109	-	18,109
-	-	-	-	-	-	171,154	-	171,154
-	-	29,614	-	-	-	30,841	-	30,841
-	-	-	-	1,715	-	4,895	-	4,895
-	-	-	-	-	-	(2)	-	(2)
104	309	29,614	-	1,715	6,176	225,302	3,222	228,524
\$ 128,413	\$ 309	\$ 30,506	\$ -	\$ 4,529	\$ 6,386	\$ 360,263	\$ 3,222	\$ 363,485

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, 2022
(Dollar Amounts in Thousands)

	Special Revenue Funds				
	Convention Center Tax	Tourism	Hall Of Fame Tax	Municipal Services District	Public Safety and Other Grants
Revenues:					
Property taxes	\$ -	\$ -	\$ -	\$ 7,630	\$ -
Other taxes	66,287	23,836	15,635	-	-
Intergovernmental	-	2,948	-	-	12,554
Investment earnings	104	137	47	2	58
Charges for current services	-	-	-	-	-
Miscellaneous	1,000	2,066	-	-	4,139
Total revenues	67,391	28,987	15,682	7,632	16,751
Expenditures:					
Current-					
Public safety	-	-	-	-	6,224
Sanitation	-	-	-	-	-
General administration	-	-	-	-	-
Support services	-	-	-	-	-
Engineering and property management	-	-	-	-	-
Streets and highways	-	-	-	-	4,606
Culture and recreation	27,877	4,720	2,765	-	-
Community planning and development	-	4,153	-	7,456	467
Business-type grant funded	-	-	-	-	-
Debt service-					
Principal	-	-	-	-	117
Interest and other charges	-	-	-	-	1
Total expenditures	27,877	8,873	2,765	7,456	11,415
Excess (deficiency) of revenues over (under) expenditures	39,514	20,114	12,917	176	5,336
Other Financing Sources (Uses):					
Sales of capital assets	-	-	-	-	-
Lease liabilities issued	-	-	-	-	202
Transfers in-					
General	-	2,557	-	-	1,477
Debt service	-	321	-	-	-
Capital projects	-	11,168	-	-	-
Total transfers in	-	14,046	-	-	1,477
Transfers out-					
General	(4,663)	-	-	-	-
Debt service	(24,782)	(21,736)	(8,810)	-	-
Capital projects	-	(5,074)	-	-	-
Total transfers out	(29,445)	(26,810)	(8,810)	-	-
Total other financing sources (uses)	(29,445)	(12,764)	(8,810)	-	1,679
Net change in fund balances	10,069	7,350	4,107	176	7,015
Fund balances - beginning	53,204	71,626	24,799	(178)	9,216
Fund balances - ending	\$ 63,273	\$ 78,976	\$ 28,906	\$ (2)	\$ 16,231

Special Revenue Funds							Permanent Fund	Total Nonmajor Governmental Funds
American Rescue Plan Act	National Opioid Settlement	Neighborhood Development	Employment and Training	State Street Aid	Emergency Telephone System	Total	Perpetual Care	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,630	\$ -	\$ 7,630
-	-	-	-	-	-	105,758	-	105,758
41,958	-	7,940	2,209	13,679	2,779	84,067	-	84,067
103	-	2	-	21	19	493	11	504
-	-	-	-	-	-	-	73	73
-	309	2,106	-	-	-	9,620	-	9,620
42,061	309	10,048	2,209	13,700	2,798	207,568	84	207,652
4,884	-	-	-	-	2,963	14,071	-	14,071
398	-	-	-	-	-	398	-	398
3,544	-	1,200	212	-	-	4,956	-	4,956
127	-	-	-	-	-	127	-	127
309	-	-	-	-	-	309	-	309
323	-	-	-	12,209	-	17,138	-	17,138
-	-	-	-	-	-	35,362	-	35,362
29,004	-	12,813	1,997	-	-	55,890	-	55,890
3,369	-	-	-	-	-	3,369	-	3,369
-	-	-	-	-	-	117	-	117
-	-	-	-	-	-	1	-	1
41,958	-	14,013	2,209	12,209	2,963	131,738	-	131,738
103	309	(3,965)	-	1,491	(165)	75,830	84	75,914
-	-	-	-	322	-	322	-	322
-	-	-	-	-	-	202	-	202
-	-	20	-	-	-	4,054	-	4,054
-	-	-	-	-	-	321	-	321
-	-	-	-	-	-	11,168	-	11,168
-	-	20	-	-	-	15,543	-	15,543
-	-	-	-	-	-	(4,663)	(11)	(4,674)
-	-	-	-	(4,203)	-	(59,531)	-	(59,531)
-	-	-	-	-	-	(5,074)	-	(5,074)
-	-	-	-	(4,203)	-	(69,268)	(11)	(69,279)
-	-	20	-	(3,881)	-	(53,201)	(11)	(53,212)
103	309	(3,945)	-	(2,390)	(165)	22,629	73	22,702
1	-	33,559	-	4,105	6,341	202,673	3,149	205,822
\$ 104	\$ 309	\$ 29,614	\$ -	\$ 1,715	\$ 6,176	\$ 225,302	\$ 3,222	\$ 228,524

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, 2022

(Dollar Amounts in Thousands)

	Convention Center Tax			Tourism		
	Budget	Actual	Variance-Positive (Negative)	Budget	Actual	Variance-Positive (Negative)
Revenues:						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other taxes	47,984	66,287	18,303	15,709	23,836	8,127
Intergovernmental	-	-	-	2,948	2,948	-
Investment earnings	517	104	(413)	834	136	(698)
Miscellaneous	1,000	1,000	-	1,171	2,065	894
Total revenues	49,501	67,391	17,890	20,662	28,985	8,323
Expenditures:						
Current-						
Streets and highways	-	-	-	-	-	-
Culture and recreation	28,140	28,032	108	8,451	8,314	137
Community planning and development	-	-	-	5,413	4,153	1,260
Total expenditures	28,140	28,032	108	13,864	12,467	1,397
Excess (deficiency) of revenues over (under) expenditures	21,361	39,359	17,998	6,798	16,518	9,720
Other Financing Sources (Uses):						
Sales of capital assets	-	-	-	-	-	-
Transfers in	-	-	-	11,098	14,046	2,948
Transfers out	(32,135)	(29,445)	2,690	(28,037)	(26,809)	1,228
Total other financing sources (uses)	(32,135)	(29,445)	2,690	(16,939)	(12,763)	4,176
Revenues and other sources over (under) expenditures and other uses	\$ (10,774)	9,914	\$ 20,688	\$ (10,141)	3,755	\$ 13,896
Reconciliation to GAAP Basis:						
Current year encumbrances		155			3,594	
Lease revenues		-			1	
Net change in fund balances		10,069			7,350	
Fund balances - beginning (annually budgeted funds)		53,204			71,626	
Fund balances - ending (annually budgeted funds)		<u>\$ 63,273</u>			<u>\$ 78,976</u>	
Project funds:						
Fund balances - beginning						
Net change in fund balances						
Fund balances - ending						
Fund balances - ending						

Hall of Fame Tax			Municipal Services District			State Street Aid		
Budget	Actual	Variance-Positive (Negative)	Budget	Actual	Variance-Positive (Negative)	Budget	Actual	Variance-Positive (Negative)
\$ -	\$ -	\$ -	\$ 7,634	\$ 7,630	\$ (4)	\$ -	\$ -	\$ -
10,238	15,635	5,397	-	-	-	-	-	-
-	-	-	-	-	-	19,815	13,679	(6,136)
254	47	(207)	-	2	2	50	21	(29)
-	-	-	-	-	-	-	-	-
10,492	15,682	5,190	7,634	7,632	(2)	19,865	13,700	(6,165)
-	-	-	-	-	-	17,277	13,314	3,963
4,750	3,165	1,585	-	-	-	-	-	-
-	-	-	7,634	7,456	178	-	-	-
4,750	3,165	1,585	7,634	7,456	178	17,277	13,314	3,963
5,742	12,517	6,775	-	176	176	2,588	386	(2,202)
-	-	-	-	-	-	-	322	322
-	-	-	-	-	-	-	-	-
(9,770)	(8,810)	960	-	-	-	(4,203)	(4,203)	-
(9,770)	(8,810)	960	-	-	-	(4,203)	(3,881)	322
<u>\$ (4,028)</u>	3,707	<u>\$ 7,735</u>	<u>\$ -</u>	176	<u>\$ 176</u>	<u>\$ (1,615)</u>	(3,495)	<u>\$ (1,880)</u>
	400			-			1,105	
	-			-			-	
	<u>4,107</u>			<u>176</u>			<u>(2,390)</u>	
	24,799			(178)			4,105	
	<u>\$ 28,906</u>			<u>\$ (2)</u>			<u>\$ 1,715</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)-(Continued)

FOR THE YEAR ENDED JUNE 30, 2022

(Dollar Amounts in Thousands)

	Total		
	Budget	Actual	Variance- Positive (Negative)
Revenues:			
Property taxes	\$ 7,634	\$ 7,630	\$ (4)
Other taxes	73,931	105,758	31,827
Intergovernmental	22,763	16,627	(6,136)
Investment earnings	1,655	310	(1,345)
Miscellaneous	2,171	3,065	894
Total revenues	108,154	133,390	25,236
Expenditures:			
Current-			
Streets and highways	17,277	13,314	3,963
Culture and recreation	41,341	39,511	1,830
Community planning and development	13,047	11,609	1,438
Total expenditures	71,665	64,434	7,231
Excess (deficiency) of revenues over (under) expenditures	36,489	68,956	32,467
Other Financing Sources (Uses):			
Sales of capital assets	-	322	322
Transfers in	11,098	14,046	2,948
Transfers out	(74,145)	(69,267)	4,878
Total other financing sources (uses)	(63,047)	(54,899)	8,148
Revenues and other sources over (under) expenditures and other uses	\$ (26,558)	14,057	\$ 40,615
Reconciliation to GAAP Basis:			
Current year encumbrances		5,254	
Lease revenues		1	
Net change in fund balances		19,312	
Fund balances - beginning (annually budgeted funds)		153,556	
Fund balances - ending (annually budgeted funds)		172,868	
Project funds:			
Fund balances - beginning		49,117	
Net change in fund balances		3,317	
Fund balances - ending		52,434	
Fund balances - ending		\$ 225,302	

CITY OF CHARLOTTE, NORTH CAROLINA
PUBLIC SAFETY AND OTHER GRANTS FUND
SCHEDULE OF EXPENDITURES COMPARED WITH AUTHORIZATIONS
FOR THE YEAR ENDED JUNE 30, 2022
(Dollar Amounts in Thousands)

	Authorizations	Expenditures			Unexpended Authorizations
		Current Year	Prior Years	Total	
Public safety	\$ 68,750	\$ 5,566	\$ 52,785	\$ 58,351	\$ 10,399
Affordable housing	1,134	71	894	965	169
Neighborhood improvements	2,455	367	1,601	1,968	487
Area plans	33,313	4,358	24,778	29,136	4,177
Non-street transportation infrastructure	359	161	108	269	90
Traffic Control	1,975	116	-	116	1,859
Facility renovations	1,501	148	1,353	1,501	-
Technology	15,486	64	15,014	15,078	408
Vehicles	1,071	-	116	116	955
Communications equipment	653	73	-	73	580
Other equipment	13,317	491	11,649	12,140	1,177
Total public safety grants	\$ 140,014	\$ 11,415	\$ 108,298	\$ 119,713	\$ 20,301

FINANCIAL SECTION

Required Supplementary Information, Combining And Individual Fund Statements and Schedules

CITY OF CHARLOTTE, NORTH CAROLINA
AMERICAN RESCUE PLAN ACT FUND
SCHEDULE OF EXPENDITURES COMPARED WITH AUTHORIZATIONS
FOR THE YEAR ENDED JUNE 30, 2022
(Dollar Amounts in Thousands)

	Authorizations	Expenditures			Unexpended Authorizations
		Current Year	Prior Years	Total	
American rescue plan act	\$ 70,809	\$ 13,449	\$ -	\$ 13,449	\$ 57,360
Affordable housing	40,409	28,509	-	28,509	11,900
Total american rescue plan act	\$ 111,218	\$ 41,958	\$ -	\$ 41,958	\$ 69,260

CITY OF CHARLOTTE, NORTH CAROLINA
NEIGHBORHOOD DEVELOPMENT FUND
SCHEDULE OF EXPENDITURES COMPARED WITH AUTHORIZATIONS
FOR THE YEAR ENDED JUNE 30, 2022
(Dollar Amounts in Thousands)

	Authorizations	Expenditures			Unexpended Authorizations
		Current Year	Prior Years	Total	
Housing	\$ 4,521	\$ 411	\$ 3,782	\$ 4,193	\$ 328
Affordable housing	127,758	8,857	90,774	99,631	28,127
Housing grants	20,249	2,434	13,295	15,729	4,520
Neighborhood improvements	4,107	688	513	1,201	2,906
Economic development corridors	18,647	1,207	13,115	14,322	4,325
Total neighborhood development	\$ 175,282	13,597	\$ 121,479	\$ 135,076	\$ 40,206
Contra expense for issuance of long-term loans receivable		416			
		\$ 14,013			

FINANCIAL SECTION

Required Supplementary Information, Combining And Individual Fund Statements and Schedules

CITY OF CHARLOTTE, NORTH CAROLINA
EMPLOYMENT AND TRAINING FUND
SCHEDULE OF EXPENDITURES COMPARED WITH AUTHORIZATIONS
FOR THE YEAR ENDED JUNE 30, 2022
(Dollar Amounts in Thousands)

	Authorizations	Expenditures			Unexpended Authorizations
		Current Year	Prior Years	Total	
Workforce Investment Act	\$ 67,792	\$ 2,209	\$ 58,291	\$ 60,500	\$ 7,292

CITY OF CHARLOTTE, NORTH CAROLINA
EMERGENCY TELEPHONE SYSTEM FUND
SCHEDULE OF EXPENDITURES COMPARED WITH AUTHORIZATIONS
FOR THE YEAR ENDED JUNE 30, 2022
(Dollar Amounts in Thousands)

	Authorizations	Expenditures			Unexpended Authorizations
		Current Year	Prior Year	Total	
Implemental functions	\$ 509	\$ 272	\$ 237	\$ 509	\$ -
Phone and furniture	5,783	1,683	1,586	3,269	2,514
Software	1,665	912	661	1,573	92
Hardware	892	274	272	546	346
Training	52	26	26	52	-
Total emergency telephone systems	\$ 8,901	3,167	\$ 2,782	\$ 5,949	\$ 2,952

Amounts reported on the Emergency Telephone System Fund Schedule of Expenditures Compared with Authorizations are different from the PSAP Revenue- Expenditure Report because: Ineligible 911 expenditures reported in Emergency Telephone System Fund

(204)
\$ 2,963

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.

GENERAL COVID RELIEF FUND

The General COVID Relief fund accounts for funds received under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) and Federal Emergency Management Agency (FEMA) Public Assistance Program to be used for expenditures to address the COVID-19 pandemic.

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, 2022

(Dollar Amounts in Thousands)

	Budget	Actual	Variance- Positive (Negative)
Revenues:			
Property tax	\$ 102,242	\$ 102,090	\$ (152)
Other taxes-			
Sales tax	25,233	30,100	4,867
Heavy equipment	-	230	230
Total other taxes	25,233	30,330	5,097
Licenses, fees and fines	-	57	57
Investment earnings	1,606	(2,310)	(3,916)
Miscellaneous	804	160	(644)
Total revenues	129,885	130,327	442
Expenditures:			
Bonds-			
Principal retirement	214,050	208,481	5,569
Interest	34,447	26,570	7,877
Installment purchases-			
Principal retirement	42,680	41,630	1,050
Interest	32,542	26,526	6,016
Fiscal agents fees	4,495	1,224	3,271
Other	1,464	2,074	(610)
Total expenditures	329,678	306,505	23,173
Revenues (under) expenditures	(199,793)	(176,178)	23,615

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)-(Continued)

FOR THE YEAR ENDED JUNE 30, 2022

(Dollar Amounts in Thousands)

	Budget	Actual	Variance- Positive (Negative)
Other Financing Sources (Uses):			
General obligation bonds issued	\$ 70	\$ 85	\$ 15
Refunding debt issued	133,035	133,035	-
Premium on debt issuance	18,385	18,385	-
Transfers in-			
General	19,665	19,665	-
Special revenue:			
Convention Center tax	27,471	24,782	(2,689)
Tourism	15,257	14,088	(1,169)
Cultural facilities	7,707	7,648	(59)
Hall of Fame tax	9,770	8,810	(960)
State street aid	4,203	4,203	-
Capital projects	7,219	7,219	-
Total transfers in	91,292	86,415	(4,877)
Transfers out-			
General	123	123	-
Special revenue:			
Tourism	321	321	-
Capital Projects	42,726	42,726	-
Total transfers out	43,170	43,170	-
Total other financing sources (uses)	199,612	194,750	(4,862)
Revenues and other sources over (under) expenditures and other uses	<u>\$ (181)</u>	<u>18,572</u>	<u>\$ 18,753</u>
Reconciliation to GAAP Basis:			
Current year encumbrances		4	
Net change in fund balance		18,576	
Fund balance - beginning		183,433	
Fund balance - ending		<u>\$ 202,009</u>	

CITY OF CHARLOTTE, NORTH CAROLINA
CAPITAL PROJECTS FUND
SCHEDULE OF EXPENDITURES COMPARED WITH AUTHORIZATIONS
FOR THE YEAR ENDED JUNE 30, 2022
(Dollar Amounts in Thousands)

	Authorizations	Expenditures			Unexpended Authorizations
		Current Year	Prior Years	Total	
Capital equipment	\$ 39,775	\$ 20,930	\$ -	\$ 20,930	\$ 18,845
Housing	15,201	139	12,801	12,940	2,261
Affordable housing	243,743	20,398	156,937	177,335	66,408
Innovative housing	147,398	3,785	139,936	143,721	3,677
Neighborhood improvements	264,764	15,817	148,925	164,742	100,022
Area plans	12,402	953	9,945	10,898	1,504
Street and road infrastructure	675,826	33,279	404,218	437,497	238,329
Non-street transportation infrastructure	257,282	21,525	133,318	154,843	102,439
Traffic control	91,817	5,475	73,158	78,633	13,184
Pedestrian safety	217,198	13,102	169,111	182,213	34,985
Transportation partnerships	11,356	477	10,250	10,727	629
Transit corridor development	262,316	18,752	193,476	212,228	50,088
Economic development corridors	103,889	4,753	82,028	86,781	17,108
Business corridors	35,609	3,464	28,482	31,946	3,663
Land acquisition	3,631	401	-	401	3,230
Environmental services program	35,036	1,235	34,316	35,551	(515)
Tree program	44,849	3,046	32,956	36,002	8,847
Capacity for growth sewer	215	-	203	203	12
New facilities	488,267	7,315	374,176	381,491	106,776
Facility renovations	587,974	25,496	317,778	343,274	244,700
Capital facilities maintenance	133,660	5,727	124,203	129,930	3,730
Technology	89,981	4,616	76,087	80,703	9,278
Other equipment	18,571	6,245	8,768	15,013	3,558
Total capital projects	\$ 3,780,760	\$ 216,930	\$ 2,531,072	\$ 2,748,002	\$ 1,032,758
Contra expense for issuance of long-term loans receivable		(17,197)			
		\$ 199,733			

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, 2022

(Dollar Amounts in Thousands)

	Authorizations	Expenditures			Unexpended Authorizations
		Current Year	Prior Years	Total	
CARES Act:					
Coronavirus relief fund	\$ 156,543	\$ 1,825	\$ 154,586	\$ 156,411	\$ 132
Community development block grant	35,149	9,838	21,195	31,033	4,116
Emergency shelter	8,632	3,094	1,595	4,689	3,943
Housing for persons with AIDS	416	213	81	294	122
FEMA public assistance	9,000	87	7,687	7,774	1,226
Total general COVID relief fund	\$ 209,740	\$ 15,057	\$ 185,144	\$ 200,201	\$ 9,539

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, 2022
(Dollar Amounts in Thousands)

	Budget	Actual	Variance- Positive (Negative)
Revenues:			
Volumetric rates	\$ 346,771	\$ 344,821	\$ (1,950)
Fixed rates	77,784	81,758	3,974
System development fees	18,000	45,377	27,377
Other	26,941	30,560	3,619
Investment earnings	659	(2,913)	(3,572)
Total revenues	470,155	499,603	29,448
Expenditures:			
Water supply and treatment	16,979	16,801	178
Sewer system and treatment	53,097	51,974	1,123
Administration and engineering	43,696	42,991	705
Other operating	72,009	69,015	2,994
Total expenditures	185,781	180,781	5,000
Revenues over expenditures	284,374	318,822	34,448
Transfers Out:			
Water and Sewer Debt Service	139,119	135,108	4,011
Water and Sewer Capital Projects	184,566	184,787	(221)
Capital Projects	277	277	-
Total transfers out	323,962	320,172	3,790
Revenues (under) expenditures and transfers	\$ (39,588)	\$ (1,350)	\$ 38,238

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, 2022
(Dollar Amounts in Thousands)

	Budget	Actual	Variance- Positive (Negative)
Revenues:			
Investment earnings	\$ -	\$ (2)	\$ (2)
Total revenues	-	(2)	(2)
Expenditures:			
Bonds-			
Principal retirement	70,391	70,391	-
Interest	55,266	53,883	1,383
Other financing agreements-			
Principal retirement	8,384	7,337	1,047
Interest	4,334	1,468	2,866
Bond issue expense	89	89	-
Other	957	612	345
Total expenditures	139,421	133,780	5,641
Revenues (under) expenditures	(139,421)	(133,782)	5,639
Transfers In:			
Water and Sewer Operating	139,119	135,108	(4,011)
Water and Sewer Capital Projects	302	-	(302)
Total transfers in	139,421	135,108	(4,313)
Revenues and transfers over expenditures	\$ -	\$ 1,326	\$ 1,326

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, 2022
(Dollar Amounts in Thousands)

Revenues and transfers over (under) expenditures and transfers:		
Operating Fund	\$	(1,350)
Debt Service Fund		1,326
Lease revenue		80
Capital Projects Fund investment earnings		240
Current year encumbrances		8,027
Deferred outflows of resources for pensions		3,996
Net pension liability		15,546
Deferred inflows of resources for pensions		(18,833)
Deferred outflows of resources for OPEB		4,353
Net OPEB asset		(16,194)
Deferred inflows of resources for OPEB		5,449
Depreciation		(158,534)
Amortization		(178)
Debt principal retirement		77,728
Capital outlay		20
Amortization of deferred charges		(1,508)
Amortization of premium		9,622
Deferred inflows of gains on refundings		2,802
Lease rent expense		213
Lease interest expense		(10)
Capital contributions		159,046
Other		(92,838)
Net transfers to (from) Water and Sewer Capital Projects Fund:		
Water and Sewer Operating		184,787
Compensated absences		101
Change in net position	\$	<u>183,891</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, 2022
(Dollar Amounts in Thousands)

	Authorizations	Expenditures			Unexpended Authorizations
		Current Year	Prior Years	Total	
Water:					
Capacity for growth	\$ 539,723	\$ 60,147	\$ 383,048	\$ 443,195	\$ 96,528
Commitment public projects/operations	180,043	10,302	136,206	146,508	33,535
Rehab and replacement	512,272	39,348	406,525	445,873	66,399
Regulatory requirements	46,117	634	40,049	40,683	5,434
Sewer:					
Capacity for growth	1,271,172	170,483	870,736	1,041,219	229,953
Commitment public projects/operations	129,342	4,309	106,245	110,554	18,788
Rehab and replacement	1,065,830	61,906	873,156	935,062	130,768
Regulatory requirements	234,845	44,188	158,061	202,249	32,596
New facilities	56,324	13,211	5,759	18,970	37,354
Facility renovations	4,365	609	1,869	2,478	1,887
Facilities maintenance	6,454	147	1,913	2,060	4,394
Technology	66,923	2,804	51,422	54,226	12,697
Capital equipment	49,103	3,462	41,664	45,126	3,977
Total water and sewer capital projects	\$ 4,162,513	\$ 411,550	\$ 3,076,653	\$ 3,488,203	\$ 674,310

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, 2022
(Dollar Amounts in Thousands)

	Budget	Actual	Variance- Positive (Negative)
Revenues:			
Storm water fees	\$ 75,256	\$ 75,533	\$ 277
Licenses, fees and fines	2,628	3,516	888
Other	-	69	69
Investment earnings	-	(1,008)	(1,008)
Total revenues	77,884	78,110	226
Expenditures:			
Storm water systems	18,063	14,470	3,593
Administration	3,470	3,470	-
Total expenditures	21,533	17,940	3,593
Revenues over expenditures	56,351	60,170	3,819
Transfers Out:			
Storm Water Debt Service	18,395	17,410	985
Storm Water Capital Projects	45,000	45,000	-
Capital Projects	43	43	-
Total transfers out	63,438	62,453	985
Revenues (under) expenditures and transfers	\$ (7,087)	\$ (2,283)	\$ 4,804

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, 2022
(Dollar Amounts in Thousands)

	Budget	Actual	Variance- Positive (Negative)
Expenditures:			
Bonds-			
Principal retirement	\$ 9,144	\$ 9,078	\$ 66
Interest	8,993	8,284	709
Bond issue expense	200	6	194
Other	57	8	49
Total expenditures	18,394	17,376	1,018
Transfers In:			
Storm Water Operating	18,394	17,410	(984)
Transfers over expenditures	\$ -	\$ 34	\$ 34

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, 2022
(Dollar Amounts in Thousands)

Revenues and transfers over (under) expenditures and transfers:	
Operating Fund	\$ (2,283)
Debt Service Fund	34
Capital Projects Fund:	
Charges for services	5,568
Investment earnings	212
Current year encumbrances	1,159
Deferred outflows of resources for pensions	1,069
Net pension liability	3,063
Deferred inflows of resources for pensions	(4,124)
Deferred outflows of resources for OPEB	751
Net OPEB liability	(1,763)
Deferred inflows of resources for OPEB	945
Depreciation	(17,147)
Amortization	(9)
Debt principal retirement	9,078
Capital outlay	9
Amortization of deferred charges	(172)
Amortization of premium	1,616
Deferred inflows of gain on refundings	157
Principal portion of lease payments	9
Net transfers to (from) Storm Water Capital Projects Fund:	
Operating Fund	45,000
Compensated absences	(72)
Change in net position	<u>\$ 43,100</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, 2022
(Dollar Amounts in Thousands)

	Authorizations	Expenditures			Unexpended Authorizations
		Current Year	Prior Years	Total	
Flood control program	\$ 498,491	\$ 45,901	\$ 399,692	\$ 445,593	\$ 52,898
Storm water maintenance program	349,477	38,739	283,441	322,180	27,297
Stream restoration/mitigation	125,837	3,766	82,995	86,761	39,076
Storm water support for projects	51,180	404	46,812	47,216	3,964
Transit corridor development	2,376	168	2,363	2,531	(155)
Capital equipment	1,495	319	-	319	1,176
Total storm water capital projects	\$ 1,028,856	\$ 89,297	\$ 815,303	\$ 904,600	\$ 124,256

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, 2022
(Dollar Amounts in Thousands)

	Budget	Actual	Variance- Positive (Negative)
Revenues:			
Terminal area	\$ 64,788	\$ 73,696	\$ 8,908
Airfield	29,856	39,830	9,974
Concessions	46,547	57,245	10,698
Rental car revenues	12,593	17,868	5,275
Parking	50,000	81,445	31,445
Passenger facility charges	60,928	60,656	(272)
Contract facility charges	10,365	11,071	706
Fixed base operator (FBO)	34,710	32,210	(2,500)
Other	12,024	15,307	3,283
Grant contributions	1,643	82,677	81,034
Investment earnings	2,000	(12,455)	(14,455)
Total revenues	325,454	459,550	134,096
Expenditures:			
Operating	206,352	202,830	3,522
Nonoperating	63,836	46,098	17,738
Total expenditures	270,188	248,928	21,260
Revenues over expenditures	55,266	210,622	155,356
Transfers In:			
Airport Debt Service	3,048	3,048	-
Airport Capital Projects	113,841	113,841	-
Total transfers in	116,889	116,889	-
Transfers Out:			
Airport Debt Service	117,716	107,252	10,464
Airport Capital Projects	155,275	146,872	8,403
Capital Projects	162	162	-
Total transfers out	273,153	254,286	18,867
Revenues and transfers over (under) expenditures and transfers	<u>\$ (100,998)</u>	<u>\$ 73,225</u>	<u>\$ 174,223</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, 2022
(Dollar Amounts in Thousands)

	Budget	Actual	Variance- Positive (Negative)
Revenues:			
Premium on debt issuance	\$ 10,887	\$ 10,887	\$ -
Revenue bond anticipation notes issued	-	124	124
Proceeds from refunding	95,104	95,104	-
Investment earnings	-	185	185
Total revenues	105,991	106,300	309
Expenditures:			
Bonds-			
Principal retirement	74,736	65,455	9,281
Interest	52,411	43,934	8,477
Payment to refunded bond escrow agent	115,002	115,002	-
Bond issue expense	2,820	2,798	22
Other	446	39	407
Total expenditures	245,415	227,228	18,187
Revenues (under) expenditures	(139,424)	(120,928)	18,496
Transfers In:			
Airport Operating	117,716	107,252	(10,464)
Transfers Out:			
Airport Operating	3,048	3,048	-
Revenues and transfers (under) expenditures and transfers	<u>\$ (24,756)</u>	<u>\$ (16,724)</u>	<u>\$ 8,032</u>

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, 2022

(Dollar Amounts in Thousands)

Revenues and transfers over (under) expenditures and transfers:

Operating Fund	\$	73,225
Debt Service Fund		(16,724)
Lease revenue		1,514
Capital Projects Fund investment earnings		965
Current year encumbrances		10,843
Deferred outflows of resources for pensions		2,484
Net pension liability		11,805
Deferred inflows of resources for pensions		(13,495)
Deferred outflows of resources for OPEB		1,855
Net OPEB asset		(6,644)
Deferred inflows of resources for OPEB		2,772
Bond Proceeds		(95,228)
Depreciation		(86,821)
Amortization		(108)
Debt principal retirement		180,457
Premium on debt issuance		(10,887)
Capital outlay		337
Amortization of deferred charges		(73)
Amortization of premium		6,655
Deferred inflows of gain on refundings		450
Lease rent expense		111
Lease interest expense		(5)
Capital contributions		42,039
Other		(1,711)
Net transfers to (from) Airport Capital Projects Fund:		
Airport Operating		33,031
Compensated absences		(160)
Change in net position	\$	<u>136,687</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, 2022
(Dollar Amounts in Thousands)

	Authorizations	Expenditures			Unexpended Authorizations
		Current Year	Prior Years	Total	
Airfield projects	\$ 602,267	\$ 91,655	\$ 386,549	\$ 478,204	\$ 124,063
Cargo development projects	9,819	-	9,440	9,440	379
General aviation projects	2,708	-	2,688	2,688	20
Terminal building	1,268,758	155,493	677,030	832,523	436,235
Ground transportation	404,982	5,937	379,994	385,931	19,051
Fueling facilities	32,288	3,583	24,395	27,978	4,310
Airport service fees (ASF)	134,210	13,572	101,206	114,778	19,432
Land acquisition - non-airfield	193,169	7,755	165,920	173,675	19,494
Included miscellaneous	58,368	-	14,055	14,055	44,313
Excluded miscellaneous	25,493	16	20,164	20,180	5,313
Fixed base operator (FBO)	26,369	1,028	17,642	18,670	7,699
Technology	19,034	17	17,047	17,064	1,970
Total airport capital projects	\$ 2,777,465	\$ 279,056	\$ 1,816,130	\$ 2,095,186	\$ 682,279

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, 2022
(Dollar Amounts in Thousands)

	Budget	Actual	Variance- Positive (Negative)
Revenues:			
Passenger fares	\$ 16,974	\$ 12,923	\$ (4,051)
Sales tax	126,132	139,226	13,094
Intergovernmental	36,879	33,876	(3,003)
Other	3,682	2,858	(824)
Investment earnings	3,277	(2,529)	(5,806)
Total revenues	186,944	186,354	(590)
Expenditures:			
Operations and maintenance	159,359	150,521	8,838
Administration	27,301	23,579	3,722
Total expenditures	186,660	174,100	12,560
Revenues over expenditures	284	12,254	11,970
Transfers In:			
Public Transit Debt Service	-	1,420	1,420
General Fund	25	25	-
Capital Projects	27,687	27,687	-
Total transfers in	27,712	29,132	1,420
Transfers Out:			
Public Transit Debt Service	28,819	43,626	(14,807)
Revenues and transfers (under) expenditures and transfers	<u>\$ (823)</u>	<u>\$ (2,240)</u>	<u>\$ (1,417)</u>

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, 2022
(Dollar Amounts in Thousands)

	Budget	Actual	Variance- Positive (Negative)
Revenues:			
Grant contributions	\$ 45,187	\$ 3,809	\$ (41,378)
Refunding debt issued	164,730	164,730	-
Premium on debt issued	28,194	28,194	-
Investment earnings	-	289	289
Total revenues	238,111	197,022	(41,089)
Expenditures:			
Installment purchases-			
Principal retirement	51,214	50,070	1,144
Interest	10,798	10,591	207
Payment to refunded bond escrow agent	191,875	191,875	-
Bond issue expense	1,049	1,026	23
Other	114	11	103
Total expenditures	255,050	253,573	1,477
Revenues (under) expenditures	(16,939)	(56,551)	(39,612)
Transfers In:			
Public Transit Operating	28,819	43,626	14,807
Public Transit Capital Projects	41,330	41,330	-
Total transfers in	70,149	84,956	14,807
Transfers Out:			
Public Transit Operating	-	1,420	(1,420)
Public Transit Capital Projects	31,526	4,059	27,467
Total transfers out	31,526	5,479	26,047
Revenues and transfers over expenditures and transfers	\$ 21,684	\$ 22,926	\$ 1,242

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, 2022
(Dollar Amounts in Thousands)

Revenues and transfers over (under) expenditures and transfers:		
Operating Fund	\$	(2,240)
Debt Service Fund		22,926
Lease revenue		113
Capital Projects Fund investment earnings		275
Current year encumbrances		758
Deferred outflows of resources for pensions		1,698
Net pension liability		8,282
Deferred inflows of resources for pensions		(9,402)
Deferred outflows of resources for OPEB		1,524
Net OPEB liability		(3,809)
Deferred inflows of resources for OPEB		1,826
Installment purchase proceeds		(164,730)
Depreciation		(60,297)
Amortization		(2,737)
Debt principal retirement		241,945
Premium on debt issuance		(28,194)
Amortization of premium		1,804
Deferred inflows of gain on refundings		(525)
Lease rent expense		123
Lease interest expense		(1)
Capital contributions		159,072
Other		(519)
Net transfers to (from) Public Transit Capital Projects Fund:		
Public Transit Debt Service		(37,271)
Capital Projects		(231)
Compensated absences		(31)
Change in net position	\$	<u>130,359</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, 2022
(Dollar Amounts in Thousands)

	Authorizations	Expenditures			Unexpended Authorizations
		Current Year	Prior Years	Total	
Public transit corridor development	\$ 1,860,832	\$ 7,471	\$ 1,635,081	\$ 1,642,552	\$ 218,280
Public transit vehicles	296,022	12,861	212,192	225,053	70,969
Public transit facilities	122,741	67	115,967	116,034	6,707
Public transit maintenance & equipment	58,916	690	42,767	43,457	15,459
Public transit support	27,580	85	15,460	15,545	12,035
CARES Act Urbanized Area Grant	4,427	300	967	1,267	3,160
Total public transit capital projects	\$ 2,370,518	\$ 21,474	\$ 2,022,434	\$ 2,043,908	\$ 326,610

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.

CITY OF CHARLOTTE, NORTH CAROLINA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
June 30, 2022
(Dollar Amounts in Thousands)

	Risk Management	Employee Health and Life	Total
Assets:			
Current assets:			
Cash, cash equivalents and investments	\$ 79,836	\$ 30,265	\$ 110,101
Receivables - other	354	39	393
Due from other governmental agencies	6	4	10
Due from other funds	-	448	448
Prepaid items	328	1,749	2,077
Total current assets	80,524	32,505	113,029
Noncurrent assets:			
Capital assets:			
Machinery and equipment	165	-	165
Less accumulated depreciation	160	-	160
Total capital assets, net	5	-	5
Right to use leased assets	12	-	12
Less accumulated right to use leased assets	6	-	6
Total right to use leased assets, net	6	-	6
Total assets	80,535	32,505	113,040
Deferred Outflows Of Resources:			
Pension deferrals	333	-	333
OPEB deferrals	357	-	357
Contributions to pension plan in current fiscal year	171	-	171
Total deferred outflows of resources	861	-	861
Liabilities:			
Current liabilities:			
Accounts payable	467	1,555	2,022
Claims payable	60,916	12,187	73,103
Unearned revenues	327	-	327
Current maturities of noncurrent liabilities	78	-	78
Total current liabilities	61,788	13,742	75,530
Noncurrent liabilities:			
Due to participants	12,256	-	12,256
Compensated absences payable	161	-	161
Net pension liability	325	-	325
Net OPEB liability	885	-	885
Total noncurrent liabilities	13,627	-	13,627
Total liabilities	75,415	13,742	89,157
Deferred Inflows Of Resources:			
Pension deferrals	465	-	465
OPEB deferrals	440	-	440
Total deferred inflows of resources	905	-	905
Net Position:			
Net investment in capital assets	5	-	5
Unrestricted	5,071	18,763	23,834
Total net position	\$ 5,076	\$ 18,763	\$ 23,839

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, 2022

(Dollar Amounts in Thousands)

	Risk Management	Employee Health and Life	Total
Operating Revenues:			
Charges for services-			
Risk management and safety fees	\$ 3,312	\$ 16,330	\$ 19,642
Claims:			
Employer	14,986	42,221	57,207
Employee	-	6,964	6,964
Other	20	25	45
Total claims	15,006	49,210	64,216
Premiums	11,629	23,168	34,797
Reimbursement from trust	-	26,461	26,461
Total operating revenues	29,947	115,169	145,116
Operating Expenses:			
Administration	4,883	18,233	23,116
Claims	19,871	88,580	108,451
Insurance premiums	11,478	23,168	34,646
Right to use lease amortization	6	-	6
Depreciation	2	-	2
Total operating expenses	36,240	129,981	166,221
Operating income (loss)	(6,293)	(14,812)	(21,105)
Nonoperating Revenues (Expenses):			
Investment earnings	27	151	178
Transfers Out	(34)	-	(34)
Change in net position	(6,300)	(14,661)	(20,961)
Total net position - beginning	11,376	33,424	44,800
Total net position - ending	\$ 5,076	\$ 18,763	\$ 23,839

CITY OF CHARLOTTE, NORTH CAROLINA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2022
(Dollar Amounts in Thousands)

	Risk Management	Employee Health and Life	Total
Cash Flows From Operating Activities:			
Receipts from participants	\$ 18,081	\$ 30,132	\$ 48,213
Payments to suppliers	(4,004)	(18,478)	(22,482)
Internal activity - receipts from other funds	28,504	58,453	86,957
Receipts from trust	-	26,461	26,461
Receipts from recovery of losses	20	-	20
Payments to employees	(1,633)	-	(1,633)
Payments for claims	(25,613)	(88,792)	(114,405)
Payments for premiums	(18,356)	(23,655)	(42,011)
Other receipts (payments)	-	25	25
Net cash (used) by operating activities	(3,001)	(15,854)	(18,855)
Cash Flows From Noncapital Financing Activities:			
Transfers	(34)	-	(34)
Cash Flows From Capital and Related Financing Activities:			
Leases	(6)	-	(6)
Cash Flows From Investing Activities:			
Interest received	143	184	327
Net (decrease) in cash and cash equivalents	(2,898)	(15,670)	(18,568)
Cash, cash equivalents and investments - beginning of year	82,734	45,935	128,669
Cash, cash equivalents and investments - end of year	\$ 79,836	\$ 30,265	\$ 110,101
Reconciliation Of Operating Income (Loss) To Net			
Cash Provided (Used) By Operating Activities:			
Operating (loss)	\$ (6,293)	\$ (14,812)	\$ (21,105)
Adjustments to reconcile operating income (loss)			
to net cash provided by (used) operating activities-			
Depreciation	2	-	2
Amortization	6	-	6
Change in assets and liabilities:			
(Increase) in receivables	(131)	-	(131)
(Increase) decrease in due from other governments	7	(3)	4
(Increase) in due from other funds	-	(98)	(98)
(Increase) in prepaid items	(328)	(1,097)	(1,425)
(Increase) in deferred outflows of resources for pensions	(41)	-	(41)
(Increase) in deferred outflows of resources for OPEB	(165)	-	(165)
Increase (decrease) in accounts payable	(130)	318	188
Increase (decrease) in claims payable	6,533	(162)	6,371
Increase in unearned revenues	327	-	327
(Decrease) in due to participants	(2,839)	-	(2,839)
Increase in compensated absences payable	7	-	7
(Decrease) in net pension liability	(485)	-	(485)
Increase in net OPEB liability	289	-	289
Increase in deferred inflows of resources for pensions	465	-	465
(Decrease) in deferred inflows of resources for OPEB	(225)	-	(225)
Total adjustments	3,292	(1,042)	2,250
Net cash (used) by operating activities	\$ (3,001)	\$ (15,854)	\$ (18,855)

FINANCIAL SECTION

Required Supplementary Information, Combining And Individual Fund Statements and Schedules

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, 2022
(Dollar Amounts in Thousands)

	Firefighters' Retirement Pension Trust	Employee Benefit- Other Employee Benefit Trust	Total
Assets:			
Cash, cash equivalents and investments	\$ 8,494	\$ 845	\$ 9,339
Receivables:			
Employer contributions	600	-	600
Member contributions	425	3	428
Interest and dividends	546	-	546
Total receivables	1,571	3	1,574
Prepaid items	44	-	44
Investments:			
Equity securities - stocks	60,862	-	60,862
Fixed income securities - bonds	119,705	-	119,705
Mutual funds	384,416	130,339	514,755
Total investments	564,983	130,339	695,322
Capital assets	671	-	671
Less accumulated depreciation	534	-	534
Total capital assets, net	137	-	137
Total assets	575,229	131,187	706,416
Liabilities:			
Accounts payable	626	3	629
Net Position:			
Restricted for pensions	\$ 574,603		574,603
Restricted for OPEB		\$ 131,184	131,184
			\$ 705,787

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, 2022

(Dollar Amounts in Thousands)

	Firefighters' Retirement Pension Trust	Employee Benefit- Other Employee Benefit Trust	Total
Additions:			
Contributions-			
Member	\$ 12,418	\$ -	\$ 12,418
Employer	14,942	15,550	30,492
Total contributions	27,360	15,550	42,910
Investment income -			
Net appreciation (depreciation) in fair value of investments	(86,920)	(29,677)	(116,597)
Interest	2,425	242	2,667
Dividends	2,398	-	2,398
Total investment income	(82,097)	(29,435)	(111,532)
Investment expense	2,850	240	3,090
Net investment income	(84,947)	(29,675)	(114,622)
Total additions	(57,587)	(14,125)	(71,712)
Deductions:			
Benefits	42,415	6,792	49,207
Refunds	945	-	945
Insurance premiums	-	7,745	7,745
Administration	714	1,902	2,616
Depreciation	66	-	66
Total deductions	44,140	16,439	60,579
Change in net position	(101,727)	(30,564)	(132,291)
Net position - beginning	676,330	161,748	838,078
Net position - ending	\$ 574,603	\$ 131,184	\$ 705,787



Statistical Section

Annual Comprehensive Financial Report 2022

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	168
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	174
These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax	
Debt Capacity	180
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	188
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	190
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									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental activities										
Net investment in capital assets	\$ 4,666,993	\$ 4,668,843	\$ 4,655,202	\$ 4,563,879	\$ 4,690,751	\$ 4,814,247	\$ 5,057,912	\$ 5,117,695	\$ 5,223,083	\$ 5,076,927
Restricted	248,404	252,385	349,992	356,435	324,070	324,406	327,369	306,143	292,947	321,770
Unrestricted (3)	447,428	496,553	351,862	428,719	345,073	(165,257)	(209,226)	(214,378)	(370,045)	(200,731)
Total governmental activities net position	5,362,825	5,417,781	5,357,056	5,349,033	5,359,894	4,973,396	5,176,055	5,209,460	5,145,985	5,197,966
Business-type activities										
Net investment in capital assets (1) (4)	2,794,170	3,077,745	3,380,700	3,676,609	3,924,620	4,153,959	4,514,469	4,726,781	5,234,775	5,871,041
Restricted (2)	356,516	391,966	430,577	443,384	345,499	364,684	383,929	388,227	416,684	459,015
Unrestricted	755,548	740,933	848,115	957,704	1,389,110	1,380,816	1,319,590	1,328,048	1,125,787	957,019
Total business-type activities net position	3,906,234	4,210,644	4,659,392	5,077,697	5,659,229	5,899,459	6,217,988	6,443,056	6,777,246	7,287,075
Primary government										
Net investment in capital assets	7,461,163	7,746,588	8,035,902	8,240,488	8,615,371	8,968,206	9,572,381	9,844,476	10,457,858	10,947,968
Restricted	604,920	644,351	780,569	799,819	669,569	689,090	711,298	694,370	709,631	780,785
Unrestricted	1,202,976	1,237,486	1,199,977	1,386,423	1,734,183	1,215,559	1,110,364	1,113,670	755,742	756,288
Total primary government net position	\$ 9,269,059	\$ 9,628,425	\$ 10,016,448	\$ 10,426,730	\$ 11,019,123	\$ 10,872,855	\$ 11,394,043	\$ 11,652,516	\$ 11,923,231	\$ 12,485,041

⁽¹⁾ 2013 has been restated for the effects of a prior period adjustment.

⁽²⁾ 2017 reflects use of passenger facility charges for Airport projects.

⁽³⁾ 2018 reflects the City's implementation of GASB Statement 75, Accounting and Financial Reporting for Postemployment Benefit Plans Other Than Pensions.

⁽⁴⁾ 2021 has been restated for the effects of estimated lives were not in compliance within the City's Capital Asset Policy.

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									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses										
Governmental activities:										
Public safety (1)	\$ 372,986	\$ 348,428	\$ 350,556	\$ 374,328	\$ 432,355	\$ 450,771	\$ 439,381	\$ 542,109	\$ 591,536	\$ 500,627
Sanitation	49,572	52,871	53,912	55,717	59,011	63,956	66,888	73,879	78,589	73,793
General administration	45,273	47,158	49,897	58,256	44,998	53,366	56,604	70,743	81,680	57,872
Support services	25,599	28,820	30,398	31,210	36,894	41,625	34,573	51,432	55,722	54,953
Engineering and property management	31,637	25,769	26,331	52,044	38,831	52,342	44,253	49,469	54,293	35,708
Streets and highways (4)	122,168	125,518	159,892	174,912	48,548	51,839	21,958	63,178	96,805	69,372
Culture and recreation	28,744	32,826	43,617	45,158	44,830	56,956	43,902	51,642	59,311	55,606
Community planning and development	68,789	67,154	88,651	75,889	71,844	82,197	81,270	88,837	193,394	124,455
Business-type grant related	-	-	-	-	-	-	-	931	842	3,369
Interest and other charges	56,373	54,329	55,000	57,498	53,220	50,059	51,559	58,439	48,443	43,466
Total governmental activities expenses	801,141	782,873	858,254	925,012	830,531	903,111	840,388	1,050,659	1,260,615	1,019,221
Business-type activities:										
Water	103,934	104,925	136,759	143,992	142,697	148,429	157,345	180,167	170,468	237,265
Sewer	144,972	149,865	160,104	163,565	165,039	175,447	183,496	188,000	178,774	240,409
Storm water (3)	22,117	19,934	21,374	16,614	17,517	24,664	25,448	29,578	37,433	41,206
Airport (6)	172,091	185,178	189,466	205,860	234,432	261,333	289,791	311,166	299,652	367,439
Public transit (6)	168,183	162,511	167,482	173,243	177,312	219,192	263,871	266,955	265,234	248,945
Total business-type activities expenses	611,297	622,413	675,185	703,274	736,997	829,065	919,951	975,866	951,561	1,135,264
Total primary government expenses	\$ 1,412,438	\$ 1,405,286	\$ 1,533,439	\$ 1,628,286	\$ 1,567,528	\$ 1,732,176	\$ 1,760,339	\$ 2,026,525	\$ 2,212,176	\$ 2,154,485
Program Revenues										
Governmental activities:										
Fees, fines, and charges for services:										
Public safety	\$ 28,281	\$ 28,452	\$ 29,474	\$ 38,772	\$ 40,271	\$ 43,696	\$ 42,804	\$ 44,960	\$ 42,619	\$ 49,056
Sanitation	12,341	13,084	12,491	8,824	11,156	13,773	16,247	20,937	24,756	27,878
General administration	15,779	17,418	3,162	2,913	2,033	2,156	2,154	2,020	3,699	2,830
Community planning and development	7,162	3,437	5,171	4,859	3,767	5,389	8,016	9,158	9,906	11,401
Other activities	34,446	33,829	54,833	59,761	60,216	60,022	57,452	56,480	60,435	68,072
Operating grants and contributions (1)	97,294	50,978	33,471	51,192	50,295	56,547	58,886	72,757	219,883	99,943
Capital grants and contributions	14,469	22,629	53,241	20,810	19,304	20,601	36,716	62,382	26,623	37,969
Total governmental activities program revenues	209,772	169,827	191,843	187,131	187,042	202,184	222,275	268,694	387,921	297,149
Business-type activities:										
Fees, fines, and charges for services:										
Water (8)	119,718	129,115	145,234	166,043	171,798	171,796	181,823	173,923	177,114	193,947
Sewer	184,630	189,744	195,530	211,084	230,511	235,548	242,504	264,182	281,555	305,192
Storm water	57,642	56,885	61,786	70,042	70,496	71,985	73,082	74,322	82,043	84,617
Airport (8)	243,874	254,331	264,139	277,891	289,450	313,113	344,049	292,022	224,505	390,711
Public transit (8)	29,122	28,820	33,955	32,404	31,823	29,585	27,685	21,268	11,410	13,036
Operating grants and contributions	12,197	12,082	11,406	10,945	12,053	33,953	30,854	35,081	164,894	120,362
Capital grants and contributions (7)	145,792	153,666	312,823	241,970	381,724	114,107	142,122	160,729	202,611	226,531
Total business-type activities program revenues	792,975	824,643	1,024,873	1,010,379	1,187,855	970,087	1,042,119	1,021,527	1,144,132	1,334,396
Total primary government program revenues	\$ 1,002,747	\$ 994,470	\$ 1,216,716	\$ 1,197,510	\$ 1,374,897	\$ 1,172,271	\$ 1,264,394	\$ 1,290,221	\$ 1,532,053	\$ 1,631,545



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									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Net (Expense)/Revenue										
Governmental activities	\$ (591,369)	\$ (613,046)	\$ (666,411)	\$ (737,881)	\$ (643,489)	\$ (700,927)	\$ (618,113)	\$ (781,965)	\$ (872,694)	\$ (722,072)
Business-type activities	181,678	202,230	349,688	307,105	450,858	141,022	122,168	45,661	192,571	199,132
Total primary governmental net expense	\$ (409,691)	\$ (410,816)	\$ (316,723)	\$ (430,776)	\$ (192,631)	\$ (559,905)	\$ (495,945)	\$ (736,304)	\$ (680,123)	\$ (522,940)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes-										
Property	\$ 397,629	\$ 436,597	\$ 396,985	\$ 452,209	\$ 454,908	\$ 467,815	\$ 490,890	\$ 507,167	\$ 523,285	\$ 531,207
Sales	84,890	92,853	105,623	114,192	118,385	128,402	135,068	139,507	153,368	182,939
Utility franchise	38,069	38,915	52,403	53,545	52,627	52,933	54,338	51,661	51,958	51,905
Occupancy (8)	37,963	40,087	45,092	49,079	51,917	56,398	59,680	44,737	29,260	58,548
Prepared foods (8)	24,643	25,514	28,358	30,026	31,509	33,632	35,512	31,650	32,174	42,646
Business privilege (5)	17,721	9,188	17,098	283	29	23	17	11	10	12
Municipal vehicle	14,783	19,001	16,430	17,068	18,280	18,060	18,092	18,120	19,044	18,381
Grants and contributions not restricted to specific programs	19,067	20,546	22,205	23,383	24,952	26,222	27,519	24,820	22,988	33,801
Investment earnings	35,063	3,842	3,890	4,670	5,150	11,884	20,091	21,307	(1,122)	(5,473)
Miscellaneous	(1,001)	(450)	1,441	7,012	475	9,168	2,754	18	(477)	1,353
Special items (2)	-	-	14,100	-	-	-	-	-	-	-
Gain on early defeasance of debt	-	-	-	-	-	-	-	-	4,189	-
Transfers (9)	(13,755)	(18,091)	(20,270)	(21,609)	(25,402)	(22,920)	(23,189)	(23,628)	(25,458)	(160,625)
Total governmental activities	655,072	668,002	683,355	729,858	732,830	781,617	820,772	815,370	809,219	754,694
Business-type activities:										
Sales taxes levied for Public transit	66,505	71,233	81,150	89,617	92,601	103,022	107,535	107,779	116,669	139,226
Investment earnings	(1,107)	7,738	6,098	7,065	7,830	23,412	48,690	38,024	(3,236)	(16,741)
Miscellaneous	(7,293)	5,118	3,319	(7,091)	4,841	3,372	9,920	9,976	2,728	4,389
Transfers (9)	13,755	18,091	20,270	21,609	25,402	22,920	23,189	23,628	25,458	160,625
Total business-type activities	71,860	102,180	110,837	111,200	130,674	152,726	189,334	179,407	141,619	287,499
Total primary government	\$ 726,932	\$ 770,182	\$ 794,192	\$ 841,058	\$ 863,504	\$ 934,343	\$ 1,010,106	\$ 994,777	\$ 950,838	\$ 1,042,193
Change in Net Position										
Governmental activities	\$ 63,703	\$ 54,956	\$ 16,944	\$ (8,023)	\$ 89,341	\$ 80,690	\$ 202,659	\$ 33,405	\$ (63,475)	\$ 32,622
Business-type activities	253,538	304,410	460,525	418,305	581,532	293,748	311,502	225,068	334,190	486,631
Total primary government	\$ 317,241	\$ 359,366	\$ 477,469	\$ 410,282	\$ 670,873	\$ 374,438	\$ 514,161	\$ 258,473	\$ 270,715	\$ 519,253

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.
- (2) In 2015, a discounted payoff was accepted in full satisfaction of a portion of private loan.
- (3) 2013 has been restated for the effects of a prior period adjustment.
- (4) 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.
- (5) In 2016, the Business Privilege License Tax ended.
- (6) In 2018, Public Transit blue line light rail extension to the University area went into operation and the Airport expanded Concourse A.
- (7) In 2017, Public Transit grant reimbursements were received for blue line light rail extension that went into operations in 2018.
- (8) In 2020 and 2021, COVID-19 was declared a world-wide pandemic and impacted revenue streams.
- (9) In 2022, transfers are related to Goldline that was put in production in August of 2021.



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									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General fund										
Nonspendable:										
Inventories (2)	\$ 985	\$ 1,208	\$ 1,378	\$ 1,426	\$ 1,218	\$ 1,385	\$ -	\$ -	\$ -	\$ -
Leases	-	-	-	-	-	-	-	-	-	181
Long-term notes receivable	-	-	29	13	28	9	-	-	-	-
Restricted - State statute	73,571	65,521	63,151	62,967	65,499	73,510	70,411	61,457	68,577	73,364
Prepaid items	-	-	-	-	-	-	-	37	13	18
Committed:										
Capital projects	12,539	5,311	14,382	21,795	2,751	5,540	7,624	14,258	7,048	13,353
Component unit (5)	1,738	2,146	2,610	3,215	3,441	3,765	4,297	3,205	1,261	-
Assigned:										
Capital projects	550	550	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	463	-	-	-	-	-
Community planning and development	-	483	-	-	-	-	-	-	-	-
Unassigned	90,161	95,298	95,280	101,590	107,014	111,102	116,428	115,010	120,115	125,568
Total general fund	\$ 179,544	\$ 170,517	\$ 176,830	\$ 191,006	\$ 180,414	\$ 195,311	\$ 198,760	\$ 193,967	\$ 197,014	\$ 212,484
All other governmental funds										
Nonspendable:										
Perpetual care	\$ 3,111	\$ 3,111	\$ 3,111	\$ 3,111	\$ 3,111	\$ 3,111	\$ 3,111	\$ 3,132	\$ 3,149	\$ 3,222
Inventories (6)	-	-	-	-	130	112	96	81	71	1,889
Leases (7)	-	-	-	-	-	-	-	-	-	(1)
Prepaid items	-	-	-	-	119	501	418	318	82	304
Long-term notes receivable	-	-	89,899	87,498	-	-	-	-	-	-
Restricted:										
State statute	3,854	4,785	5,235	5,732	5,776	6,342	6,903	12,791	18,525	20,108
Special obligation debt service	9,220	8,270	7,270	6,215	5,100	-	-	-	-	-
Public safety	10,295	11,830	16,816	3,282	13,989	13,590	13,716	9,671	13,734	18,186
Streets and highways	13,373	14,332	15,141	10,809	7,923	7,541	8,787	10,301	4,839	4,895
Culture and recreation	129,869	138,774	144,780	167,391	183,899	185,310	189,915	176,155	149,629	171,154
Community planning and development	5,111	5,762	4,560	7,507	38,773	35,002	34,526	32,636	34,494	30,841
Committed:										
Capital projects (3)	87,751	137,488	191,797	238,041	255,898	242,615	381,714	378,413	212,021	361,888
Culture and recreation	1,016	396	414	-	-	-	-	-	-	-
Debt service (4)	-	-	4,400	34,510	45,016	68,130	86,000	96,921	98,234	91,781
Assigned:										
Debt service	210,586	251,590	278,219	239,681	218,640	191,069	173,311	99,468	66,674	90,120
Unassigned (1)	-	-	(629)	-	-	-	-	-	-	(2)
Total all other governmental funds	\$ 474,186	\$ 576,338	\$ 761,013	\$ 803,777	\$ 778,374	\$ 753,323	\$ 898,497	\$ 819,887	\$ 601,452	\$ 794,385

(1) In 2015, Municipal Services Districts had a deficit fund balance due to property tax revenues less than anticipated.

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

(3) In 2014, more debt was sold in order to fund Capital Projects. This increase in Capital Projects spending continues.

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

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

(6) In 2022, inventories increased as a result of CATS purchasing \$1.9M.

(7) In 2022, implementation of GASB 87 leases.



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									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenues:										
Property taxes	\$ 395,789	\$ 430,657	\$ 401,040	\$ 451,563	\$ 456,176	\$ 467,717	\$ 492,051	\$ 505,521	\$ 523,184	\$ 533,544
Other taxes (1)	159,787	171,864	193,197	208,513	217,719	235,000	247,814	229,989	227,939	303,877
Intergovernmental (1)	176,661	136,198	172,109	166,463	163,711	172,575	188,832	222,470	331,394	232,738
Licenses, fees and fines	63,914	63,001	68,421	43,363	46,287	50,347	49,097	53,165	58,322	59,902
Investment earnings	(14)	4,739	3,350	3,745	3,815	8,373	21,635	20,479	1,277	(6,169)
Private contributions	3,872	9,428	4,745	4,039	1,671	3,612	2,371	3,475	2,945	2,915
Administrative charges	24,636	25,227	29,361	34,793	37,031	39,589	44,716	46,858	51,455	57,971
Charges for current services	6,187	6,364	6,919	7,234	8,670	8,126	9,832	12,052	12,730	14,335
Miscellaneous	9,714	9,828	8,151	10,051	10,458	11,782	9,252	8,194	10,467	12,903
Total revenues	840,546	857,306	887,293	929,764	945,538	997,121	1,065,600	1,102,203	1,219,713	1,212,016
Expenditures:										
Public safety (1)	366,574	335,977	346,524	359,187	382,427	391,301	420,234	448,196	471,984	470,984
Sanitation	46,680	49,278	50,764	52,265	55,610	59,179	64,032	67,322	75,953	69,794
General administration	43,596	45,295	44,042	40,294	42,078	47,143	51,977	55,009	73,772	62,839
Support services	22,563	25,956	29,414	29,728	31,823	31,885	29,250	41,703	49,882	53,273
Engineering and property management	22,056	22,479	22,739	20,973	22,095	21,927	23,558	25,236	36,491	22,441
Streets and highways	51,097	57,313	57,580	62,924	65,102	62,376	58,831	59,927	61,148	53,051
Culture and recreation (2)	17,793	21,035	24,571	27,312	29,835	38,743	31,559	35,425	39,273	35,362
Community planning and development (1)	46,683	51,947	56,613	49,813	46,119	46,868	53,238	63,857	160,650	109,745
Business-type grant funded	-	-	-	-	-	-	-	931	842	3,369
Debt service-										
Principal (3)	68,812	77,139	86,287	112,033	97,190	116,416	121,309	110,124	139,069	252,310
Interest and other charges	59,210	61,053	61,334	66,557	60,790	60,238	61,918	65,934	61,155	56,504
Capital outlay	170,522	162,571	160,745	154,320	166,087	175,209	234,489	313,296	311,207	199,733
Total expenditures	915,586	910,043	940,613	975,406	999,156	1,051,285	1,150,395	1,286,960	1,481,426	1,389,405
(Deficiency) of revenues										
(under) expenditures	(75,040)	(52,737)	(53,320)	(45,642)	(53,618)	(54,164)	(84,795)	(184,757)	(261,713)	(177,389)

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									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Other financing sources (uses):										
Sales of capital assets (4)	4,768	1,117	1,003	34,027	6,238	2,518	3,112	1,275	1,714	1,551
Bonds issued	-	34,370	-	-	34,503	57,062	58,435	121,568	70,027	103,943
Commercial paper issued	73,988	59,055	59,973	66,213	1,677	-	-	-	-	-
Installment purchases issued	34,808	63,994	100,691	23,685	-	-	170,205	-	-	107,600
Lease liabilities issued (5)	-	-	-	-	-	-	-	-	-	13,978
Refunding debt issued	130,470	266,893	62,755	33,010	116,230	-	150,905	314,330	-	133,035
Premium on debt issuance	5,123	31,544	15,199	5,906	19,377	-	49,086	36,683	-	33,291
Payment to refunded bond escrow agent	(130,590)	(293,020)	(71,580)	(38,650)	(135,000)	-	(175,155)	(348,762)	-	-
Transfers in	126,402	121,528	123,605	186,997	191,445	175,007	175,167	254,381	225,861	164,155
Transfers out	(140,157)	(139,619)	(140,475)	(208,606)	(216,847)	(190,577)	(198,337)	(278,121)	(251,277)	(191,120)
Total other financing sources (uses)	104,812	145,862	151,171	102,582	17,623	44,010	233,418	101,354	46,325	366,433
Net change in fund balances	\$ 29,772	\$ 93,125	\$ 97,851	\$ 56,940	\$ (35,995)	\$ (10,154)	\$ 148,623	\$ (83,403)	\$ (215,388)	\$ 189,044
Debt service as a percentage of noncapital expenditures	17.0%	18.4%	18.1%	19.4%	18.0%	18.2%	18.9%	17.3%	15.9%	15.9%

⁽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.

⁽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 2019C GO BAN redemption.

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

⁽⁵⁾ In 2022, implementation of GASB 87 leases.

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			
2013	\$45,958,721	\$31,815,858	\$5,621,122	\$7,408,446	\$238,179	\$90,565,968	\$0.4370
2014	45,891,739	31,556,625	5,671,639	7,764,066	250,288	90,633,781	0.4687
2015	45,297,317	30,263,922	6,194,474	7,953,022	285,506	89,423,229	0.4687
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

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					
					Municipal Service Districts					Mecklenburg County
	General	Debt Service	Capital Projects	Total Direct	District 1	District 2	District 3	District 4	District 5	
2013	\$.3600	\$.0650	\$.0120	\$.4370	\$.0168	\$.0233	\$.0358	\$.0668	\$.0279	\$.7922
2014	.3600	.0967	.0120	.4687	.0168	.0233	.0358	.0668	.0279	.8157
2015	.3600	.0967	.0120	.4687	.0168	.0233	.0358	.0668	.0279	.8157
2016	.3741	.0926	.0120	.4787	.0168	.0233	.0358	.0668	.0279	.8157
2017	.3741	.0926	.0120	.4787	.0168	.0233	.0358	.0668	.0279	.8157
2018	.3741	.0926	.0120	.4787	.0168	.0233	.0358	.0668	.0279	.8157
2019	.3816	.0951	.0120	.4887	.0208	.0293	.0418	.0668	.0279	.8232
2020	.2731	.0677	.0073	.3481	.0136	.0227	.0338	.0390	.0279	.6169
2021	.2731	.0677	.0073	.3481	.0136	.0227	.0338	.0390	.0279	.6169
2022	.2731	.0677	.0073	.3481	.0136	.0227	.0338	.0390	.0279	.6169

STATISTICAL SECTION

CITY OF CHARLOTTE, NORTH CAROLINA
PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND NINE YEARS AGO
(Dollar Amounts In Thousands)

Taxpayer	2022			2013		
	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	\$ 1,879,849	1	1.25%	\$ 1,047,797	3	1.16%
Wells Fargo	1,797,203	2	1.19	1,461,550	1	1.62
Bank of America	1,767,716	3	1.17	1,455,390	2	1.61
American Airlines/US Airways Group, Incorporated	754,199	4	0.50	556,309	4	0.61
Truist	535,353	5	0.36	-		-
Time Warner Entertainment	458,996	6	0.30	324,487	7	0.36
Southpark Mall	390,836	7	0.26	339,818	6	0.38
Piedmont Natural Gas	324,033	8	0.22	280,845	8	0.31
Panthers Stadium	265,828	9	0.18	-		-
301 College Street	263,811	10	0.18	-		-
AT&T	-		-	399,970	5	0.44
TIAA-Cref, LLC	-		-	246,443	9	0.27
CK Southern/Childress Klein	-		-	183,424	10	0.20
Total	\$ 8,437,824		5.61%	\$ 6,296,033		6.96%

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 ⁽²⁾	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2013	\$	395,392	\$ 386,270	97.69%	\$ (8,336)	\$ 377,934	95.58%
2014		415,447	408,956	98.44	2,353	411,309	99.00
2015		392,831	390,339	99.37	7,380	397,719	100.00
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	-	501,228	99.45

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, 2021, for the fiscal year 2022, were based on the assessed values listed as of January 1, 2021.

⁽²⁾ For fiscal year 2013, refunds were issued due to successful appeal of the revaluation.

STATISTICAL SECTION

CITY OF CHARLOTTE, NORTH CAROLINA
ANALYSIS OF CURRENT TAX LEVY
CITY-WIDE LEVY
FOR THE YEAR ENDED JUNE 30, 2022
(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	\$ 141,848,485	0.3481	\$ 512,086	\$ 493,775	\$ 18,311
Discoveries - current and prior years	<u>521,228</u>		<u>-</u>	<u>-</u>	<u>-</u>
Total property valuation	<u><u>\$ 142,369,713</u></u>		<u>512,086</u>	<u>493,775</u>	<u>18,311</u>
Net Levy			496,514	478,203	18,311
Unpaid (by taxpayer) taxes at June 30, 2021			(2,737)	(2,737)	-
Current year's taxes collected			<u><u>\$ 493,777</u></u>	<u><u>\$ 475,466</u></u>	<u><u>\$ 18,311</u></u>
Current levy collection percentage			<u><u>99.45%</u></u>	<u><u>99.43%</u></u>	<u><u>100.00%</u></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					Direct Borrowing
	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	Direct Placement			Section 108	
						Installment Purchases ⁽⁵⁾	Construction Period Notes	Private Loan		
2013	\$ 577,431	\$ 231,267	0.89%	\$ 1,015	\$ 9,220	\$ 727,912	\$ 98,082	\$ 35,331	\$ 8,902	
2014	729,362	203,241	1.03	1,170	8,270	747,191	7,137	35,331	8,444	
2015	691,351	174,812	0.97	1,069	7,270	803,723	67,110	16,231	7,943	
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	-	-	

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STATISTICAL SECTION

Fiscal Year	Other Business-Type Activities Debt							Percentage of Personal Income ⁽²⁾⁽³⁾⁽⁴⁾	Per Capita ⁽²⁾
	Direct Placement			Direct Borrowing					
	Revenue Bonds	Installment Purchases	Revenue Bond Anticipation Notes	Other Financing Agreements	Revolving Loans	TIFIA Loan	Total Primary Government		
2013	\$ 2,404,518	\$ 288,353	\$ -	\$ 4,610	\$ 1,242	\$ -	\$ 4,386,868	12.98%	\$ 5,505
2014	2,303,043	281,758	87,054	3,775	1,176	-	4,415,782	12.48	5,541
2015	2,162,847	279,384	214,999	2,950	1,110	-	4,429,730	11.70	5,469
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	N/A	4,886
2022	3,088,705	290,863	263,268	-	87,783	-	5,285,455	N/A	5,398

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⁾ Beginning in 2013, Percentage of Personal Income has been restated due to new data source - Federal Reserve Economic Data.

⁽⁴⁾ N/A = Data not available

STATISTICAL SECTION

CITY OF CHARLOTTE, NORTH CAROLINA
DIRECT AND OVERLAPPING BONDED DEBT
June 30, 2022
(Dollar Amounts in Thousands)

	Net General Obligation Bonded Debt Outstanding	Percentage Applicable to City ⁽¹⁾	Amount Applicable to City
Jurisdiction			
Direct:			
City of Charlotte	\$ 1,546,476	100%	\$ 1,546,476
Overlapping:			
Mecklenburg County	1,474,271	76.89%	1,133,567
Total	<u>\$ 3,020,747</u>		<u>\$ 2,680,043</u>

⁽¹⁾ Percentage of direct and overlapping debt is based on June 30, 2022 assessed valuation of the City of Charlotte (\$150,598,470) as compared to the June 30, 2022 assessed valuation of Mecklenburg County (\$195,870,899).



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
2013	\$ 7,240,375	\$ 2,095,463	\$ 5,144,912	28.94%
2014	7,250,702	2,150,659	5,100,043	29.66
2015	6,780,590	2,235,933	4,544,657	32.98
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

⁽¹⁾ Excludes debt not applicable to the limit.

Legal Debt Margin Calculation for Fiscal Year 2022:

Assessed value		<u>\$ 150,598,470</u>
Debt limit (8% of assessed value)		12,047,878
Total outstanding general obligation bonded debt	\$ 788,479	
Amounts due under installment purchases primarily for Convention Center, tourism, capital improvements and equipment	966,682	
Bonds authorized but unissued	<u>472,274</u>	
	2,227,435	
Less- Water general obligation bonds	<u>2,317</u>	
Outstanding debt, net		<u>2,225,118</u>
Legal debt margin		<u><u>\$ 9,822,760</u></u>

STATISTICAL SECTION

CITY OF CHARLOTTE, NORTH CAROLINA
SPECIAL OBLIGATION BOND COVERAGE
LAST FIVE FISCAL YEARS
(Dollar Amounts in Thousands)

Fiscal Year	Allowable Revenues ⁽¹⁾	Debt Service Requirement ⁽²⁾	Bond Coverage
2013	\$ 20,648	\$ 1,383	14.9
2014	22,796	1,382	16.5
2015	26,138	1,382	18.9
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⁾	Current Expenses ^{(1) (2)}	Debt Service Requirement	Revenue Bond Coverage	50% of Surplus Fund ⁽¹⁾	Revenue Bond Coverage, Including Surplus Fund
2013	\$ 308,137	\$ 108,679	\$ 143,074	1.4	\$ 85,595	2.0
2014	323,047	114,147	145,837	1.4	83,019	2.0
2015	345,228	125,272	142,804	1.5	71,888	2.0
2016	382,826	129,059	150,528	1.7	92,803	2.3
2017	410,308	146,262	150,819	1.8	119,415	2.5
2018	418,226	142,433	146,441	1.9	133,664	2.8
2019	435,750	150,082	153,687	1.9	142,773	2.8
2020	446,647	168,420	147,719	1.9	136,712	2.8
2021	458,253	182,782	143,370	1.9	143,355	2.9
2022	499,603	260,781	133,079	1.8	144,814	2.9

⁽¹⁾ Allowable revenues, current expenses and Surplus Fund as defined by the Revenue Bond Order.

⁽²⁾ In 2022, current expenses include \$80,000 for capacity fees 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
2013	\$ 55,219	\$ 13,522	\$ 8,841	4.7	\$ 8,543	5.7
2014	55,769	12,815	9,961	4.3	7,816	5.1
2015	59,367	9,913	11,357	4.4	6,416	4.9
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

⁽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⁾
2013	\$ 156,794	\$ 71,736	\$ 85,058	\$ 26,071	3.3
2014	164,907	73,161	91,746	26,072	3.5
2015	176,443	91,912	84,531	25,733	3.3
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	76,385	26,118	3.9
2021	183,806	88,011	70,804	24,991	3.8
2022	353,672	188,825	164,847	31,144	5.3

⁽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⁾)
2013	796,921	\$ 33,809,373	\$ 42,425	33.9	8.4
2014	796,921	35,380,902	44,397	34.5	6.0
2015	809,958	37,872,826	46,759	35.4	5.3
2016	827,097	39,761,861	48,074	35.5	4.5
2017	856,062	43,070,191	50,312	34.7	4.1
2018	875,318	45,719,610	52,232	35.1	4.0
2019	919,503	49,732,239	54,086	34.7	4.2
2020	940,144	53,289,242	56,682	37.6	8.8
2021	958,788	N/A	N/A	37.7	5.1
2022	979,096	N/A	N/A	37.6	3.9

⁽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	2022			2013		
	Employees	Rank	Percentage to Total City Employment	Employees	Rank	Percentage to Total City Employment
Atrium Health (formerly Carolinas Healthcare System)	37,000	1	5.92%	35,000	1	7.04%
Wells Fargo	30,291	2	4.85	20,300	2	4.08
Charlotte-Mecklenburg Schools	18,495	3	2.96	18,143	3	3.65
Bank of America	15,000	4	2.40	15,000	5	3.02
Novant Health/Presbyterian Regional Healthcare Corporation	11,698	5	1.87	11,000	6	2.21
American Airlines/US Airways Group, Incorporated	11,000	6	1.76	-	-	-
Harris Teeter, Incorporated	8,239	7	1.32	8,239	7	1.66
Duke Energy Corporation	7,900	8	1.26	7,800	8	1.57
Lowe's Companies, Incorporated	7,801	9	1.25	-	-	-
City of Charlotte	6,800	10	1.09	-	-	-
Wal-Mart Stores, Incorporated	-	-	-	16,100	4	3.24
Delhaize America Incorporated/ Food Lion LLC	-	-	-	7,734	9	1.56
North Carolina State Government	-	-	-	7,684	10	1.55
Total	154,224		24.68%	147,000		29.58%

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									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Public safety (1) (4) (5) (10)	3,472.50	3,472.50	3,500.50	3,474.50	3,594.50	3,705.50	3,711.50	3,735.50	3,687.50	3,688.50
Sanitation	289.00	289.00	302.00	302.00	305.00	314.00	314.00	316.00	309.00	308.00
General administration (2) (3) (5)	370.50	370.50	348.50	366.75	372.75	294.00	288.00	258.00	266.00	271.00
Support services (4) (5) (6) (10)	257.00	257.00	288.00	249.00	257.00	268.00	145.00	148.00	219.00	220.00
Engineering and property management (3) (6)	322.00	322.00	322.00	325.00	343.00	347.00	450.00	491.00	473.00	466.00
Streets and highways (4)	431.50	431.50	431.50	408.75	410.75	422.75	423.75	424.75	412.75	411.75
Community planning and development (2)	220.00	225.00	228.00	214.00	218.00	329.75	361.75	377.75	363.75	368.75
Water and Sewer (7)	746.50	761.50	796.00	822.00	846.00	912.00	958.00	997.00	997.00	1,019.00
Storm Water (11)	95.00	100.00	108.00	124.00	131.00	136.00	153.00	171.00	175.00	208.00
Airport (5) (8)	251.00	262.00	432.00	503.00	553.00	595.00	659.00	708.00	708.00	714.00
Public Transit (9)	361.75	361.75	384.75	419.75	522.75	522.75	534.75	582.75	582.75	583.75
Risk Management	27.00	27.00	28.00	28.00	28.00	27.00	23.00	23.00	23.00	23.00
Total	6,843.75	6,879.75	7,169.25	7,236.75	7,581.75	7,873.75	8,021.75	8,232.75	8,216.75	8,281.75

⁽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 2013, positions were transferred from Public safety at the Airport to Public safety. In 2021, positions were transferred from Public safety to Support services to centralize innovation and technology, and centralize attorney positions from Public safety to General administration.

⁽⁶⁾ In 2019, General Services Fleet management positions were moved from General Administration to Engineering and property management.

⁽⁷⁾ In 2014, positions were added to offset reductions in contractual services. In 2015, positions were added to meet service demand. 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.

⁽⁸⁾ In 2014, 2015 and 2016 positions were added to meet service demand. In 2015, existing full-time temporary positions were converted to regular full-time status. 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.

⁽⁹⁾ In 2015, positions were added to meet service demand. 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.

⁽¹⁰⁾ In 2021, Support services was centralized as Innovation and Technology transferred positions from various departments.

⁽¹¹⁾ In 2022, Storm water added 16 positions for managing the drainage system assets. An additional 15 positions were added to centralize land development services.

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									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Public safety										
Police physical arrests (1)	22,839	23,018	22,144	20,794	19,697	18,937	17,221	16,841	13,440	13,967
911 call volume	1,015,825	1,061,018	1,180,177	1,251,592	1,195,766	1,179,451	1,247,438	1,220,559	1,159,829	1,227,042
Fire calls answered (9)	97,361	103,474	110,710	117,315	123,159	124,123	130,138	119,602	124,052	143,147
Sanitation										
Refuse collected (in tons)	212,296	211,407	206,535	219,901	228,819	226,199	230,938	237,806	247,080	232,462
Refuse collected by City contractors (in tons)	62,153	63,971	65,768	72,548	84,794	87,853	87,502	93,794	93,677	94,035
Recyclables and organics collected (in tons) (2)	54,557	58,173	88,332	50,995	57,832	57,600	63,949	51,718	53,056	39,743
Recyclables and organics collected by City contractors (in tons) (2)	47,666	49,183	10,283	49,313	49,994	48,377	43,229	50,559	49,175	48,965
Support services/Engineering and Property Management										
Fleet maintained	3,331	3,280	3,250	3,233	3,342	3,294	3,398	3,444	3,548	3,565
Streets and highways										
Miles resurfaced (3)	149	211	221	234	272	206	159	141	144	72
Potholes repaired (4)	856	1,205	1,101	1,173	1,183	1,524	2,889	2,244	1,919	1,599
Community planning and development										
Housing inspections conducted	2,498	2,670	2,779	2,300	2,141	2,320	2,504	1,809	2,132	2,147
Affordable housing production (5)	1,368	1,083	824	768	1,033	1,248	1,199	1,802	2,015	1,514
Water										
Number of service connections	257,683	262,607	267,664	273,574	279,380	285,092	290,442	297,098	304,029	310,541
Average daily pumped (in millions of gallons)	99	101	103	107	107	106	108	109	110	118
Sewer										
Number of service connections	238,854	242,959	247,165	246,299	256,327	260,580	264,981	270,640	276,498	281,983
Average daily treatment (in millions of gallons)	79	83	81	80	80	78	91	89	87	80
Storm water										
Requests for services completed (6)	1,809	1,886	1,711	2,565	2,405	2,369	3,661	3,783	3,887	3,938
Airport										
Number of airline arrivals and departures per day (7)	1,415	1,401	1,399	1,389	1,402	1,383	1,547	1,293	1,161	1,336
Passengers boarding (in thousands) (7)	21,108	21,977	22,193	22,376	22,515	23,075	23,959	19,409	16,645	23,034
Public transit										
Revenue miles operated (in thousands) (7) (8)	16,180	16,172	16,934	16,893	16,310	16,386	17,144	15,782	13,289	13,777
Passengers (in thousands) (7)	26,110	25,572	25,201	23,900	22,734	21,230	20,430	18,090	8,724	10,207

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 resulted in loss of 3.75 months of 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									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Public safety										
Police stations	13	13	13	13	13	13	13	13	13	13
Patrol units	1,386	1,391	1,388	1,392	1,443	1,490	1,486	1,594	1,622	1,628
Fire stations	42	42	42	42	42	42	42	42	43	43
Sanitation										
Collection trucks	180	177	188	177	180	178	186	192	204	201
Streets and highways										
Lane miles of streets (1)	5,261	5,265	5,271	5,284	5,323	5,371	5,415	5,445	5,479	5,498
Number of street lights	71,851	72,316	73,185	73,634	74,140	74,310	75,472	76,734	77,160	77,294
Water										
Treatment plants	3	3	3	3	3	3	3	3	3	3
Miles of water mains	4,198	4,209	4,232	4,269	4,314	4,353	4,393	4,431	4,482	4,526
Fire hydrants	16,889	16,631	16,766	16,901	17,109	17,344	17,517	17,677	17,925	18,128
Sewer										
Treatment plants	5	5	5	5	5	5	7	7	7	7
Miles of sanitary sewer lines	4,170	4,320	4,200	4,244	4,288	4,330	4,376	4,420	4,475	4,526
Airport										
Feet of runway	35,175	35,175	35,175	35,175	35,175	35,175	35,175	35,175	35,178	35,178
Public transit										
Motor buses	322	322	316	316	315	312	309	339	323	325
Light rail vehicles (2)	20	20	20	24	36	40	42	42	42	42
Streetcar vehicles (3)	-	-	-	3	3	3	3	3	3	6

NOTES:

⁽¹⁾ 2013 through 2016 have 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 2022



**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, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated November 4, 2022. Our report includes a reference to other auditors who audited the financial statements of the Charlotte Regional Visitors Authority (CRVA), 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 the 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 an opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City'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 the 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 and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2022-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of 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 statement. 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*.

City's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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 result of that testing, and not to provide an opinion on the effectiveness of the City'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 City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Cherry Bekaert LLP

Charlotte, North Carolina
November 4, 2022



Report of Independent Auditor on Compliance for Each Major Federal Program and on Internal Control over Compliance in Accordance with 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 (the “City”), compliance with the types of compliance requirements described 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, 2022. 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.

The City’s basic financial statements include the operations of Charlotte Regional Visitors (“CRVA”), which expended no federal awards during the year ended June 30, 2022. Our audit, described below, did not include the operations of CRVA, since it was audited by other auditors.

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, 2022.

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; and 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 that 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, *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. 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.

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
November 4, 2022



Report of Independent Auditor on Compliance for Each Major State Program and on Internal Control over Compliance in Accordance with 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 (the “City”), compliance with the types of compliance requirements described 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, 2022. 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.

The City’s basic financial statements include the operations of Charlotte Regional Visitors (“CRVA”), which expended no state awards during the year ended June 30, 2022. Our audit, described below, did not include the operations of CRVA, since it was audited by other auditors.

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, 2022.

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; and 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 that 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 state 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.

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
November 4, 2022

CITY OF CHARLOTTE, NORTH CAROLINA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2022

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? X yes no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? yes X no

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
20.507
20.525
20.526
20.933
14.231
66.458

21.027

20.106
21.023

COVID-19: Federal Transit Cluster:
 Capital Investment Grants
 Formula Grants
 State of Good Repair Grants Program
 Bus and Bus Facilities Formula Program
National Infrastructure
COVID-19: Emergency Solutions Grant
Capitalization Grant for Clean Water State
Revolving Funds
COVID-19: Coronavirus State and Local Fiscal
Recovery Funds
COVID-19: Airport Improvement Program
COVID-19: Emergency Rental Assistance
Program

CITY OF CHARLOTTE, NORTH CAROLINA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

YEAR ENDED JUNE 30, 2022

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

Powell Bill

Volkswagen Mitigation Settlement Program

Other major state programs for the City of Charlotte are Public Transportation Sections 5307 and 5309 Capital Programs which are state matches on the Federal Transit Cluster program. Therefore, these programs have been included in the list of major federal programs above



CITY OF CHARLOTTE, NORTH CAROLINA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

YEAR ENDED JUNE 30, 2022

Section II – Financial Statement Findings

Material Weakness - Finding 2022-001

Criteria: Entities are responsible for ensuring that proper internal controls over the financial reporting and close process are adequate to prevent and/or detect errors in financial reporting in a timely manner.

Condition: The following misstatements were identified during our audit:

The City had recorded additions for notes receivable during the year related to notes disbursed in a prior period in the Capital Projects Fund.

The City updated their capital asset policy in the prior period but did not properly update the useful life of all of the affected assets until the current year in the Public Transit Fund. This issue was discovered by Finance during their annual review process.

The City adjusted their investments in treasury and governmental agency securities utilizing an incorrect report that resulted in an adjustment of investment earnings reported in all funds for the current year.

Effect: The City understated its beginning fund balance for the Capital Project Fund and beginning net position for Governmental Activities by approximately \$19,359,000 for notes receivable disbursed in prior periods. When notified by the auditors of the prior period's disbursements, the City restated the beginning balance to avoid an understatement in the fiscal year 2022 statements.

The City understated its assets and net position in the Public Transit Fund by approximately \$23,198,000 by not adjusting the useful lives of certain assets based on the revised capital asset policy approved in the prior fiscal year. The City included this as a restatement in fiscal year 2022 statements.

The City overstated their investment balance and revenue as of June 30, 2022, by \$26,000,000 with an incorrect investment report. When notified by the auditors of the incorrect report, the City adjusted their investment value and earnings to avoid an overstatement in fiscal year 2022 statements.

Cause: In regard to the notes receivable restatement, the City had a manual process in place to record notes receivable along with a process to reconcile their notes receivable monthly but the process was not being completed timely.

When the City's capital asset policy, including its useful lives was updated, the review process did not identify and ensure all assets already placed in service were adjusted per the new useful life estimate.

A new investment tracking system was put in place during the year that required additional actions to report all required data. As a result, the process in place to review certain investments changes in fair value to third-party pricing was not adequate. There also does not appear to be a process in place for higher-level review of the City's change in market value to expectations based on current market conditions and expectations.

Recommendation: We recommend that the City enhance the monthly reconciliation process for notes receivable or automate the process and record them directly as a notes receivable as the funds are disbursed.

We recommend the City ensure that the useful lives of all assets reflect the City's current policies as part of the capital asset reconciliation for each department annually.

We recommend the City review their investments at year end to ensure the change in fair value is consistent with current market trends and/or third-party pricing.

Views of responsible officials: The City agrees with this finding; see the Corrective Action Plan for more information.

CITY OF CHARLOTTE, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

YEAR ENDED JUNE 30, 2022

Section III – Federal Award Findings and Questioned Costs

None reported.

Section IV – State Award Findings and Questioned Costs

None reported.



November 4, 2022

CITY OF CHARLOTTE, NORTH CAROLINA
CORRECTIVE ACTION PLAN

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

The Fiscal Year 2022 annual audit identified a material weakness with the city's internal controls over financial reporting and close process to prevent and/or detect errors in financial reporting in a timely manner. The corrective actions that will be taken on behalf of the City, are noted below. The City is optimistic the corrective action plan will reduce or eliminate material errors related to the notes receivable, depreciation and market value of investments.

City of Charlotte
Material Weakness
Finding 2022-001
Corrective Action Plan:

Because of the material weakness finding, the following actions have/will be taken:

- Finance will enhance the monthly reconciliation of notes receivable and will include a review of related project expenditures. Finance will implement opportunities to improve the manual process for recording notes receivable at origination.
- Finance will review useful lives of assets with departments no less than annually to ensure they reflect the capital asset policy in place.
- Finance will provide annual training to departments on the capital asset module to include how to enter asset adjustments and generate and review various capital asset reports.
- Finance will incorporate fair value changes as part of the existing quarterly investment review with Finance leadership.

Each action stated in the corrective action plan will be completed during and by the end of fiscal year 2023.

Responsible Party:

Teresa Smith, Chief Financial Officer
 Betty Mattos, Chief Accountant
 Finance Department

Teresa Smith
 Chief Financial Officer
 November 4, 2022

CITY OF CHARLOTTE, NORTH CAROLINA
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

YEAR ENDED JUNE 30, 2022

2021-001: Corrected

2021-002: Corrected



SINGLE AUDIT

CITY OF CHARLOTTE, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2022

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	G20GA0007A	\$ 35,385	\$ -	\$ -
High Intensity Drug Trafficking Areas	95.001	G21GA0007A	126,382	-	-
High Intensity Drug Trafficking Areas	95.001	G22GA0007A	4,004	-	-
Total Executive Office of the President			\$ 165,771	\$ -	\$ -
<u>U.S. Department of Homeland Security</u>					
Direct Programs:					
Staffing for Adequate Fire and Emergency Response	97.083	EMW-2018-FH-00550	\$ 65,684	\$ -	\$ -
TSA-NEDCTP	97.U01	HSTS02-16-H-NCP416 TSA (K-9)	411,899	-	-
TSA-Credentialing Screening & Intel Division	97.U02	HSTS02-16-H-SLR722 TSA (LEO)	744,600	-	-
Total Direct Programs			1,222,183	-	-
Pass-Through N.C. Department of Crime Control and Public Safety:					
Homeland Security	97.067	EMW-2018-SS-00053 / MOA 1853	15,665	-	-
Homeland Security	97.067	EMW-2017-SS-00085-S01 /1754	11,628	-	-
Homeland Security	97.067	EMW-2019-SS-00057 / MOA 1900-01	160,528	-	-
Homeland Security	97.067	EMW-2019-SS-00057 / MOA 1956	12,695	-	-
Homeland Security	97.067	EMA-2020-EP-00016	513,907	-	-
Homeland Security	97.067	EMW-2021-SS-00039	26,500	-	-
Homeland Security	97.067	EMW-2019-SS-00057	20,000	-	-
Total Pass-Through N.C. Department of Crime Control and Public Safety			760,923	-	-
Pass-Through Mecklenburg County:					
Emergency Management Performance	97.042	EM PG-2021-2120060	82,720	-	-
Total Pass-Through Mecklenburg County			82,720	-	-
Pass-Through N.C. Department of Emergency Management					
Emergency Management Performance	97.042	ARPA EMA-2021-EP-000 14	23,552	-	-
COVID 19 - Disaster - Public Assistance (Presidentially Declared)	97.036	COVID-FEMA (DR-4487-NC)	86,859	-	-
Total Pass-Through N.C. Department of Emergency Management			110,411	-	-
Total U.S. Department of Homeland Security			\$ 2,176,237	\$ -	\$ -



SINGLE AUDIT

CITY OF CHARLOTTE, NORTH CAROLINA SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS FOR THE YEAR ENDED JUNE 30, 2022

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
<u>U.S. Department of Environmental Protection Agency</u>					
Pass-Through N.C. Department of Environmental Quality:					
Clean Water State Revolving Cluster:	66.458	CS370377-16	\$ 15,600,156	\$ -	\$ -
Total U.S. Department of Environmental Protection Agency			\$ 15,600,156	\$ -	\$ -
<u>U.S. Department of Housing and Urban Development</u>					
Direct Programs:					
CDBG - Entitlement Grant Cluster:					
Community Development Block Grants/Entitlement	14.218	B-19-MC-37-0003	\$ 2,796,787	\$ -	\$ 1,908,873
Community Development Block Grants/Entitlement	14.218	B-20-MC-37-0003	1,071,130	-	-
COVID 19 - Community Development Block Grant Program	14.218	CARES Act Grant-B-20-MW-37-0003	3,309,673	-	3,199,010
Total CDBG - Entitlement Grants Cluster			7,177,590	-	5,107,883
Other U.S. Dept. of Housing and Urban Development Grants:					
Direct Programs:					
Emergency Shelter	14.231	E-20-MC-37-0003	228,446	-	228,446
Emergency Shelter	14.231	E-21-MC-37-0003	182,341	-	182,341
COVID 19 - Emergency Shelter	14.231	CARES Act Funding-E-20-MW-37-0003	3,088,273	-	2,988,708
HOME Investment Partnerships	14.239	M17-DC370212	289,271	-	289,271
HOME Investment Partnerships	14.239	M18-DC370212	42,468	-	42,468
Housing Opportunities For Persons With AIDS	14.241	NCH19-F001	767,843	-	767,843
Housing Opportunities For Persons With AIDS	14.241	NCH20-F001	1,444,968	-	1,444,968
COVID 19 - Housing Opportunities For Persons With AIDS	14.241	CARES Act Funding-NCH20-FHW001	213,598	-	182,469
Fair Housing Assistance	14.401	FF204K204008	13,050	-	-
Fair Housing Assistance	14.401	FF204K214050	60,200	-	-
Fair Housing Assistance	14.401	FF204K214051	12,500	-	-
Fair Housing Assistance	14.401	FF204K214052	13,200	-	-
Fair Housing Assistance	14.401	FF204K214063	9,900	-	-
Healthy Homes	14.900	NCLHB0722-19 (HH)	102,547	-	-
Lead-Based Paint Hazard Control in Privately-Owned Housing	14.905	NCLHB0722-19 (LHC)	515,326	-	-
Total Other U.S. Dept. of Housing and Urban Development Grants			6,983,931	-	6,126,514
Total U.S. Department of Housing and Urban Development			\$ 14,161,521	\$ -	\$ 11,234,397

SINGLE AUDIT

CITY OF CHARLOTTE, NORTH CAROLINA SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS FOR THE YEAR ENDED JUNE 30, 2022

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
<u>U.S. Department of Justice</u>					
Direct Programs:					
Crime Victim Assistance	16.582	2018-V3-GX-0010	\$ 85,722	\$ -	\$ -
Edward Byrne Memorial Justice Assistance	16.738	2019-DJ-BX-0607	241,215	-	-
Edward Byrne Memorial Justice Assistance	16.738	2020-DJ-BX-0853	122,067	-	-
Edward Byrne Memorial Justice Assistance	16.738	15PBJA-21-GG-01639-JAGX	190,458	-	155,858
DNA Backlog Reduction	16.741	15PBJA-21-GG-03146-DNAX	46,454	-	-
DNA Backlog Reduction	16.741	2019-DN-BX-0099	167,106	-	-
DNA Backlog Reduction	16.741	2020-DN-BX-0019	239,352	-	-
National Sexual Assault Kit Initiative	16.833	2017-AK-BX-0020	181,516	-	-
National Sexual Assault Kit Initiative	16.833	2018-AK-BX-0011	145,228	-	-
National Sexual Assault Kit Initiative	16.833	2019-AK-BX-0001	369,236	-	-
National Sexual Assault Kit Initiative	16.833	2020-AK-BX-0039	30,426	-	-
Project Safe Neighborhoods	16.609	2018-GP-BX-0042	1,120	-	-
Money Laundering and Asset Recovery - Justice	16.922	ESAC 07/01/2017	306,025	-	-
CMPD Training Facility Enhancement	16.U01	MOA-08142018	173,005	-	-
Coronavirus Emergency Supplemental Funding Program	16.034	CESF-2020-VD-BX-1374	1,094,539	-	-
Total Direct Programs			3,393,469	-	155,858
Pass-Through Mecklenburg County:					
Juvenile Justice and Delinquency Prevention	16.540	2019-JX-FX-0009	40,470	-	-
Total Pass-Through Mecklenburg County			40,470	-	-
Total U.S. Department of Justice			\$ 3,433,939	\$ -	\$ 155,858
<u>U.S. Department of Treasury</u>					
Direct Programs:					
Coronavirus Relief Fund Program	21.019	Coronavirus Relief Fund	\$ 720,538	\$ -	\$ -
Money Laundering and Asset Recovery - Treasury	21.016	ESAC 07/01/2017	460,524	-	-
ARP - Coronavirus State and Local Fiscal Recovery Funds	21.027	ARP - CSLFRF	13,448,895	-	2,000,000
Emergency Rental Assistance	21.023	Emergency Rental Assistance-CRRSAA (ERA1)	6,499,790	-	6,499,790
Emergency Rental Assistance	21.023	Emergency Rental Assistance-American Rescue Plan Act (ERA2)	28,509,155	-	28,509,155
Total U.S. Department of Treasury			\$ 49,638,902	\$ -	\$ 37,008,945



SINGLE AUDIT

CITY OF CHARLOTTE, NORTH CAROLINA SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS FOR THE YEAR ENDED JUNE 30, 2022

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
<u>U.S. Department of Labor</u>					
Pass-Through N.C. Department of Commerce:					
Workforce Investment Act Clusters:					
WIA/WIOA Adult:					
WIOA Adult	17.258	4010 WIOA Admin Local Area/2020-Adult Admin	\$ 63,850	\$ -	\$ 63,850
WIOA Adult	17.258	4010 WIOA Admin Local Area/2021-Adult Admin	24,193	-	24,193
WIOA Adult	17.258	4020 WIOA Adult/2020-Formula	206,870	-	206,870
WIOA Adult	17.258	4020 WIOA Adult/2021-Formula	535,854	-	535,854
WIOA Adult	17.258	4050 WIOA Statewide Activities/2020-8056-CPCC	23,897	-	23,897
Total WIA/WIOA Adult Programs			854,664	-	854,664
WIA/WIOA Youth:					
WIOA Youth Activities	17.259	4010 WIOA Admin Local Area/2020-Youth Admin	72,612	-	72,612
WIOA Youth Activities	17.259	4040 WIOA Youth/2020-0000/2020-0001/2020-In & Out of School	785,894	-	785,894
WIOA Youth Activities	17.259	4050 WIOA Statewide Activities/2020-8145-Employer Services_All	15,425	-	15,425
Total WIA/WIOA Youth Activities			873,931	-	873,931
WIA/WIOA Dislocated Worker:					
WIOA Dislocated Worker	17.277	3110 Admin Local Area/3130 WIA Program/2020-Formula	32,200	-	32,200
WIOA Dislocated Worker	17.278	4010 WIOA Admin Local Area/2020-Dislocated Worker Admin	50,793	-	50,793
WIOA Dislocated Worker	17.278	4030 WIOA Dislocated Worker/2020-Formula	384,064	-	384,064
WIOA Dislocated Worker	17.278	4050 WIOA Statewide Activities/2019-8137-FLG Ops_All	13,178	-	13,178
Total WIA/WIOA Dislocated Worker			480,235	-	480,235
Total U.S. Department of Labor			\$ 2,208,830	\$ -	\$ 2,208,830



SINGLE AUDIT

CITY OF CHARLOTTE, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2022

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
U.S. Department of Transportation					
Direct Programs:					
Airport Improvement Program	20.106	3-37-0012-080-2018	\$ 300,000	\$ -	\$ -
Airport Improvement Program	20.106	3-37-0012-084-2020	717,488	-	-
Airport Improvement Program	20.106	3-37-0012-086-2020	4,167,032	-	-
Airport Improvement Program	20.106	3-37-0012-089-2021	15,719,912	-	-
Airport Improvement Program	20.106	3-37-0012-091-2021	7,827,911	-	-
CARES-Airport Improvement Program	20.106	CARES Funding-3-37-0012-085-2020	37,165,766	-	-
CARES-Airport Improvement Program	20.106	CARES Funding-ACRGP-3-37-0012-087-2021	1,642,526	-	-
CARES-Airport Improvement Program	20.106	CRRSA Funding-3-37-0012-087-2021	34,482,955	-	-
CARES-Airport Improvement Program	20.106	ARP-3-37-0012-092-2022	5,894,313	-	-
Total Federal Aviation Administration			107,917,903	-	-
Federal Railroad Administration:					
Direct Programs:					
National Infrastructure Investments - Railway	20.933	FR-TII-0047-17	10,020,882	-	-
Total Federal Railroad Administration			10,020,882	-	-
Federal Transit Administration:					
Federal Transit Cluster:					
Federal Transit Cluster - Capital Investment:					
Direct Programs:					
Federal Transit - Capital Investment	20.500	NC-03-0082-00/36224.26.4.3/13-BL-001/36224.26.1.1/09-NS-082	571,077	-	-
Federal Transit - Capital Investment	20.500	NC-04-0018-00	688,000	-	-
Federal Transit - Capital Investment	20.500	NC-2016-001-00	2,411,639	-	-
Federal Transit - Capital Investment	20.500	NC-2019-027-00	393,453	-	-
American Rescue Plan-Federal Transit - Capital Investment	20.500	ARP CIG Act-NC-2022-009	11,122,146	-	-
Total Direct Programs			15,186,315	-	-
State Program - N.C. Department of Transportation:					
Federal Transit - Capital Investment		NC-03-0082-00/36224.26.4.3/13-BL-001/36224.26.1.1/09-NS-082	-	1,845,795	-
Total State Program - N.C. Department of Transportation			-	1,845,795	-
Total Federal Transit - Capital Investment			\$ 15,186,315	\$ 1,845,795	-



SINGLE AUDIT

CITY OF CHARLOTTE, NORTH CAROLINA SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS FOR THE YEAR ENDED JUNE 30, 2022

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 Transit Cluster - Formula:					
Direct Programs:					
Federal Transit - Formula	20.507	NC-90-X541 / 36231.14.11.5 / 17-90-541	\$ 1,937	\$ -	\$ -
Federal Transit - Formula	20.507	NC-90-X569	43	-	-
Federal Transit - Formula	20.507	NC-2016-018-00	191,503	-	-
Federal Transit - Formula	20.507	NC-2016-043-00	3,638	-	-
Federal Transit - Formula	20.507	NC-2017-019-00	679,204	-	-
Federal Transit - Formula	20.507	NC-2018-068-00	258,338	-	-
Federal Transit - Formula	20.507	NC-2019-050-01-00	336,082	-	-
CARES funding-Federal Transit - Formula	20.507	NC-2020-031-00	21,320,313	-	-
FTA Supergrant: 5307-Formula 5337-SOGR 5339-Bus	20.507	NC-2020-060-00	8,141,921	-	-
CRRSAA-Federal Transit - Formula	20.507	5307 CRRSAA Silverline & Vehicle Overhaul	15,233,267	-	-
FTA Supergrant: 5307-Formula 5337-SOGR 5339-Bus	20.507	1111-2021-3	3,068,824	-	-
Total Direct Programs			49,235,070	-	-
State Program - N.C. Department of Transportation:					
FY22 Urban State Match/NC-2019-050		22-UM-102C/36231.14.15.5	-	594,018	-
Total State Program - N.C. Department of Transportation			-	594,018	-
Total Federal Transit - Formula			49,235,070	594,018	-
Federal Transit Cluster - State of Good Repair:					
Federal Transit - State of Good Repair Program	20.525	NC-2017-009-00	12,968	-	-
Federal Transit - State of Good Repair Program	20.525	NC-2017-045-00	3,770	-	-
Federal Transit - State of Good Repair Program	20.525	NC-2019-040-00	101,500	-	-
Total Federal Transit - State of Good Repair			118,238	-	-
Total Federal Transit Cluster			64,539,623	2,439,813	-
Transit Services Programs Cluster:					
Direct Programs:					
Enhance Mobility of Seniors and Individuals with Disabilities	20.513	NC-2017-030-00	169,493	-	-
Enhance Mobility of Seniors and Individuals with Disabilities	20.513	NC-2019-004-00	386,998	-	386,998
Enhance Mobility of Seniors and Individuals with Disabilities	20.513	NC-2020-019-00	112,000	-	112,000
Enhance Mobility of Seniors and Individuals with Disabilities	20.513	NC-2020-030-00	227,687	-	152,781
Enhance Mobility of Seniors and Individuals with Disabilities	20.513	NC-2021-041	101,257	-	40,355
Total Transit Services Programs Cluster			997,435	-	692,134
Other Federal Transit Programs:					
Direct Programs:					
Public Transportation Innovation	20.530	NC-2021-020-00	1,069	-	-
Total Direct Programs			1,069	-	-



SINGLE AUDIT

CITY OF CHARLOTTE, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2022

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
Pass-Through N.C. Department of Transportation:					
Federal Transit - Metropolitan Planning	20.505	Section 5303/NC-2021-053-00/22-08-102/36230.5.21.6	\$ 954,906	\$ -	\$ 116,651
Total Pass-Through N.C. Department of Transportation			954,906	-	116,651
Total Other Federal Transit Programs			955,975	-	116,651
Total Federal Transit Administration			66,493,033	2,439,813	808,785
Federal Highway Administration:					
Highway Planning and Construction Cluster:					
Pass-Through N.C. Department of Transportation:					
Highway Planning and Construction	20.205	34811.3.FDS/STPDA-5239(5)	28,993	-	-
Highway Planning and Construction	20.205	50152.1/2/3.F1/BRSTP-1003(143)	804,797	-	-
Highway Planning and Construction	20.205	50152.1/2/3.F1/BRSTP-1003(142)	39,079	-	-
Highway Planning and Construction	20.205	NHPBA-0771(230)/I-5405C/45454.1.9,45454.3.10	99,349	-	-
Highway Planning and Construction	20.205	44840.1.1 / 44840.3.1 / TAPDA-1003(150)	28,342	-	-
Highway Planning and Construction	20.205	C-5613A / CMAQ-1003(160)	370,645	-	-
Highway Planning and Construction	20.205	C-56131 / CMAQ-0051(034)	518	-	-
Highway Planning and Construction	20.205	47616.1.2 / STBG-DA	150,000	-	-
Highway Planning and Construction	20.205	48257.1.1/HSIP-0029(070)/SS-4910DJ	4,500	-	-
Highway Planning and Construction	20.205	M-0528CB / 48232.3.2	277,412	-	-
Highway Planning and Construction	20.205	Section 104(f) PL/STP-DA	620,740	-	-
Highway Planning and Construction	20.205	BRZ-NBIX (21)	514,267	-	-
Highway Planning and Construction	20.205	7500024209 / WBS 40435.1.5 & 50246.1.2	11,903	-	11,901
Highway Planning and Construction	20.205	M-0512 / 44843.10.1 / SPR-OSPR(102)	94,944	-	-
Highway Planning and Construction	20.205	7500024874 / 49599.1.5 / 50246.1.3	2,109,433	-	172,988
Total Pass-Through N.C. Department of Transportation			5,154,922	-	184,889



SINGLE AUDIT

CITY OF CHARLOTTE, NORTH CAROLINA SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS FOR THE YEAR ENDED JUNE 30, 2022

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
Other Pass-Through Programs:					
Pass-Through S.C. Department of Transportation:					
Highway Planning and Construction	20.205	M-0512 / 44843.10.1 / SPR-OSPR(102)	\$ 10,549	\$ -	\$ -
Pass-Through Rock Hill:					
Highway Planning and Construction	20.205	M-0512 / 44843.10.1 / SPR-OSPR(102)	9,777	-	-
Pass-Through Gastonia:					
Highway Planning and Construction	20.205	M-0512 / 44843.10.1 / SPR-OSPR(102)	18,658	-	-
Pass-Through Concord:					
Highway Planning and Construction	20.205	M-0512 / 44843.10.1 / SPR-OSPR(102)	15,438	-	-
Total Other Pass-through Programs			54,422	-	-
State Program - N.C. Department of Transportation:					
Highway Planning and Construction		44377.3.1 / U-5808	-	1,260,000	-
Highway Planning and Construction		M-0528CB / 48232.3.2	-	69,353	-
Total State Program - N.C. Department of Transportation			-	1,329,353	-
Total Federal Highway Administration			5,209,344	1,329,353	184,889
National Highway Traffic Safety Administration:					
Pass-Through N.C. Department of Transportation:					
Highway Safety Cluster:					
State and Community Highway Safety	20.600	PT-21-06-33	6,875	-	-
State and Community Highway Safety	20.600	AL-22-02-05	68,318	-	-
State and Community Highway Safety	20.600	PT-22-06-08	22,449	-	-
National Priority Safety	20.616	M5HVE-21-15-02	19,521	-	-
Total National Highway Traffic Safety Administration			117,163	-	-
Total U.S. Department of Transportation			\$ 189,758,325	\$ 3,769,166	\$ 993,674



SINGLE AUDIT

CITY OF CHARLOTTE, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2022

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
<u>N.C. Department of Public Safety</u>					
Direct Programs:					
Regional Response for Emergency Management		2020-NCRR-7	\$ -	\$ 60,979	\$ -
Support Team Assisted Response (STAR) Pilot Program		CITYOFCHARLOTTE 2021-2023	-	330,000	-
Total Direct Programs			-	390,979	-
Pass-Through Mecklenburg County:					
Juvenile Offender Diversion Program		32147 (JCPC)	-	198,904	-
Total Pass-Through Mecklenburg County			-	198,904	-
Total N.C. Department of Public Safety			\$ -	\$ 589,883	\$ -
<u>N.C. Department of Environment and Natural Resources</u>					
Direct Programs:					
Electric Bus Project Volkswagen Settlement Grant		45670VW	\$ -	\$ 1,280,000	\$ -
Total N.C. Department of Environment and Natural Resources			\$ -	\$ 1,280,000	\$ -
<u>N.C. Department of Transportation</u>					
Direct Programs:					
Steele Creek and Hamilton Road Signal		50173.3.1 / U-5762	\$ -	\$ 81,050	\$ -
Wilkinson Blvd and Alleghany Street signal modification		HSIP-0029(070)	-	41,000	-
Locally Administered Project		46450.1.1, 46450.2.1, 46450.3.1 / U-5905	-	54,047	-
Locally Administered Project		47680.3.1 / SS-4910DA	-	102,015	-
Airport Improvement Program		36244.17.17.1	-	3,491,194	-
State Aid for Airports		36244.17.18.1	-	10,110,833	-
Rideshare Program		22-RS-102/36225.1.20.1	-	135,157	-
Metropolitan Planning		NC-2021-053-00/22-08-102/36230.5.21.6	-	119,362	-
State Maintenance Assistance FY2022		FY2022 SMAP Letter	-	9,208,761	-
State Street Aid-Powell Bill		Powell Bill	-	13,679,745	-
Total N.C. Department of Transportation			\$ -	\$ 37,023,164	\$ -

SINGLE AUDIT

CITY OF CHARLOTTE, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2022

<u>Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal Assistance Listing Number</u>	<u>State/Pass-Through Grantor's Award Number</u>	<u>Federal (Direct & Pass-Through) Expenditures</u>	<u>State Expenditures</u>	<u>Pass-Through to Subrecipients</u>
<u>N.C. Office of Emergency Medical Services</u>					
Pass-Through Metrolina Trauma Advisory Committee:					
SMAT III		Contract 00042448 Division HP-12-2319	\$ -	\$ 4,234	\$ -
Total N.C. Office of Emergency Medical Services			\$ -	\$ 4,234	\$ -
<u>N.C. Department of Commerce</u>					
One NC		2019-23785	\$ -	\$ 499,270	\$ -
Total N.C. Department of Commerce			\$ -	\$ 499,270	\$ -
TOTAL FEDERAL AND STATE AWARDS			\$ 277,143,681	\$ 43,165,717	\$ 51,601,704

CITY OF CHARLOTTE, NORTH CAROLINA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
JUNE 30, 2022

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, 2022. 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.



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CHARLOTTE