

ADVANCING OPPORTUNITIES FOR ALL

FISCAL YEAR 2025

POPULAR ANNUAL FINANCIAL REPORT

NORTH CAROLINA





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MESSAGE FROM THE CITY MANAGER

I am pleased to share the City of Charlotte's Popular Annual Financial Report (PAFR) for fiscal year (FY) 2025, which ran from July 1, 2024, to June 30, 2025. This report evaluates how the city performed against the adopted FY 2025 budget and offers an easy-to-understand snapshot of the city's financial position during the fiscal year, especially for readers without a background in public finance.

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; affordable housing support; economic and workforce development; street construction and maintenance; solid waste services; water and sewer utilities; storm water management; airport facilities management; and public transit.



Marcus Jones
CITY MANAGER

The Annual Adopted Budget and Capital Investment Plan (CIP) are foundational to Charlotte's financial planning and fiscal control, affirming the city's key strategic priorities for fiscal year 2025 of:

- ◆ **Well-Managed Government**, focusing on Equity, Engagement, and the Environment, ensuring the city demonstrates inclusivity; leadership in financial stewardship; best practices; and consistency with an emphasis on effective and efficient services,
- ◆ **Great Neighborhoods**, focusing on comprehensive initiatives designed to create affordable housing and provide opportunities that align with creating great neighborhoods,
- ◆ **Safe Communities**, ensuring neighborhoods are safe, healthy, and inclusive, with a focus on policing, fire protection, and community relations,
- ◆ **Transportation and Planning**, anticipating and planning for the growth of the community, addressing growth with strategic investments, building and maintaining a comprehensive transportation network, and strategies that encourage connection between neighborhoods and employment centers, and
- ◆ **Workforce and Business Development**, building and maintaining a successful business climate and workforce talent, including sustainable wages/benefits; economic opportunity for all residents; and encouraging business development, innovation, and entrepreneurship.



As a summary of the city's FY 2025 Annual Comprehensive Financial Report (ACFR), the Popular Annual Financial Report looks back at these priorities and other initiatives included in the budget and measures how the city performed against them. Unlike the ACFR, this report is unaudited and does not contain all reported funds and full financial disclosures for the fiscal year.

The FY 2025 ACFR was prepared following generally accepted accounting principles. The firm that audited the ACFR, Cherry Bekaert LLP, issued an unmodified or "clean" audit opinion of the report, indicating the report is presented fairly and does not have material misstatements.

I commend staff for their integrity, professional competency and dedication to the work of the city throughout the year. Their commitment to the highest standards of professionalism in fiscal management is foundational to the city's financial stability and resilience. Because of the staff's work, bond rating agencies continue to award the City of Charlotte with the highest ratings for credit worthiness.

The city's Annual Comprehensive Financial Report, from which the information for this report has been drawn, has been awarded the Certificate of Achievement for Excellence in Financial Reporting by Government Finance Officers Association of the United States and Canada (GFOA) for the 40th consecutive year. The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting.

To be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized ACFR, whose contents

conform to program standards. Such an ACFR must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current ACFR continues to conform to the Certificate of Achievement Program's requirements, and we are submitting it to GFOA to determine its eligibility for another Certificate.

For the 11th consecutive year, the Government Finance Officers Association of the United States and Canada presented a Distinguished Budget Presentation Award to City of Charlotte, North Carolina, for its Annual Budget for the fiscal year beginning July 1, 2024, and an Award for Outstanding Achievement in Popular Annual Financial Reporting for the FY 2024 PAFR, the fourth consecutive year. This means that the City of Charlotte has received the GFOA "Triple Crown" for awards for the ACFR, PAFR and budget.

The city's ACFRs, PAFRs and more information about the city's finances are available at:

<https://cltgov.me/finance-reports>

Finally, I credit Mayor Vi Lyles and the Charlotte City Council for their strong leadership and support in setting up sound fiscal policies to ensure financial resources are managed prudently and provide a foundation for financial sustainability.

Marcus D. Jones

City Manager

THE CHARLOTTE REGION: A PREMIER ECONOMIC HUB

The Charlotte region plays a pivotal role in the state's economy. The Charlotte region is the largest in the Carolinas, ranking 21st in the U.S. for total output and accounts for about 32% of the total output for the Carolinas. It is one of the fastest-growing areas in the country, with more than 157 people moving to the region every day.

CNBC named North Carolina the #1 state for business in 2025, and the Charlotte area stands out as a top destination for corporate headquarters. Home to seven Fortune 500 and 19 Fortune 1000 companies, the region offers a diverse economy and strategic location in the Southeast.

Charlotte's connectivity is unmatched. Positioned between major ports and inland cities, it enables two-day truck delivery to Miami, New York, and Chicago. Key assets include Charlotte Douglas International Airport (CLT), four interstates (I-85, I-77, I-485, I-40), an inland terminal, two intermodal facilities, and the nation's largest consolidated rail system via Norfolk Southern and CSX.

CLT Airport is North Carolina's top economic engine and one of the busiest airports in the U.S., with 28 million enplaned passengers in FY 2025 and ranking sixth globally for aircraft operations. In 2024, CLT was recognized as North America's most financially efficient airport by the Air Transport Research Society.

To support growth, the region is investing in transit. The Red Line commuter rail, part of the Transit System Plan, will connect the northern part of Mecklenburg County with the central business district in Charlotte while adding more rail lines and expanding bus services. Funded by the P.A.V.E. Act and a voter-approved sales tax projected to generate \$19 billion over 30 years, the plan also created the Metropolitan Public Transportation Authority (MPTA) to oversee implementation.

Tourism further strengthens Charlotte's economy. In FY 2025, visitors spent \$6.4 billion, supporting 37,969 jobs and generating \$419 million in state and local taxes. Attractions include professional sports (NFL, NBA, MLS), museums, conventions, and motorsports, contributing \$1.1 billion in economic impact through the Charlotte Regional Visitors Authority.

SEVEN FORTUNE 500 COMPANIES



NUCOR

Honeywell



TRUIST 



CHARLOTTE'S COMMUNITY

IN FY 2025

POPULATION GROWTH

1,069,485

Population (2025)

827,097

Population (2016)

29%

Population Increase
in 10 years

CITY SCALE

14th

Largest City in the US

312.96

Square Miles

ECONOMIC SNAPSHOT

\$224.8B

Assessed Property Value

\$78,439

Median Household Income
(2023 American Community Survey)

7.25%

Total Local Sales Tax Rate

4%

Unemployment Rate

TOP 10 EMPLOYERS

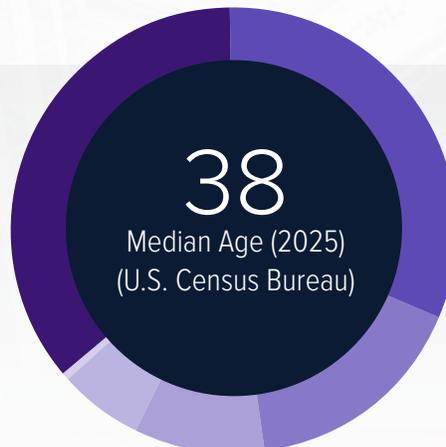


DEMOGRAPHICS

White (non-Hispanic) **38.1%**

Black/African American **33.6%**

Hispanic **17.5%**



9.9% Two or more races

6.5% Asian

0.5% American Indian
/Native Alaskan

CHARLOTTE'S CITY COUNCIL AND DISTRICT MAP

Vi Lyles
MAYOR

James Mitchell Jr.
MAYOR PRO TEM
AT LARGE

Dimple Ajmera
AT LARGE

LaWana Mayfield
AT LARGE

Dr. Victoria Watlington
AT LARGE

Ed Driggs
DISTRICT 7

Kimberly Owens
DISTRICT 6

JD Mazuera Arias
DISTRICT 5

Reneé Johnson
DISTRICT 4

Danté Anderson
DISTRICT 1

Malcolm Graham
DISTRICT 2

Joi Mayo
DISTRICT 3

LARGE MUNICIPALITIES IN STATE

(Raleigh, Greensboro, Durham, Winston-Salem) Charlotte Comparison to Other Major NC Cities

Statistic FY 2025	Charlotte	Raleigh	Greensboro	Durham	Winston-Salem
Population	1,069,485	493,589	307,372	304,014	259,045
Property Tax Rate	\$0.274	\$0.355	\$0.673	\$0.596	\$0.725
Property Tax Rate Collected FY 2025	\$637M	\$421.8M	\$267M	\$261M	\$185M
FTE Employees	8,923	4,572	3,229	2,449	2,647
Fire Stations	43	28	27	19	20
Unemployment Rate	4%	3.4%	4.8%	4.6%	4%
FY 2025 Budget	\$4.17B	\$1.43B	\$802M	\$668M	\$811M

FY 2025

BY THE NUMBERS

FINANCIAL AND WORKFORCE



\$4.1 Billion

FY 2025 Budget



\$0.2741

City Property Tax Rate



8,923

FTE Employees

PUBLIC SAFETY AND INFRASTRUCTURE



13

Police Stations



43

Fire Stations



79,686

Streetlights Maintained



328,048

Water Service Connections

OPERATIONS AND FLEET



211

Sanitation Collection Trucks



3,787

Fleet Vehicles Maintained



250

CATS Buses

SERVICE OUTPUT



1,211,649

911 Calls



1,547

Airline Arrivals and Departures per Day



3

Water Treatment Plants



89,626

Tons of Recyclables Collected



4,664

Miles of Water Mains



13,429

Transit Mile Operated



1,722

Affordable Housing Units Produced



316,767

Tons of Refuse Collected



CITY OF CHARLOTTE ORGANIZATION

MAYOR & CITY COUNCIL

Andrea Leslie-Fite
City Attorney

Marcus D. Jones
City Manager

Stephanie Kelly
City Clerk

Monica Allen
Deputy City Manager

Liz Babson
Deputy City Manager

Shawn Heath
Deputy City Manager

Alyson Craig
Deputy City Manager

Terry Bradley (Interim)
Community Relations Dept.

Danielle Frazier
Office of Workforce Development

Sheila Simpson
Human Resources Dept.

Markell Storay
Innovation & Technology Dept.

Cheryl Wright
Contracting & Procurement Dept.

Brent Cagle (Interim)
Charlotte Area Transit System

Ed McKinney
Strategic Mobility

Debbie Smith
Charlotte Dept. of Transportation

Phil Reiger
General Services Dept.

Tina Adams
Internal Audit Dept.

Haley Gentry
Aviation Dept.

Marie Harris
Strategy & Budget Dept.

Matthew Hastedt
Finance Dept.

Rebecca Hefner
Housing & Neighborhood Services Dept.

Rodney Jamison
Solid Waste Services Dept.

Angela Charles
Charlotte Water Dept.

Monica Holmes (Interim)
Planning, Design & Development Dept.

Shahid Rana
Economic Development Dept.

Sarah Hazel
Chief of Staff

Chief Reginald Johnson
Charlotte Fire Dept.

Chief Estella Patterson
Charlotte-Mecklenburg Police Dept.

Jason Schneider
Charlotte Communication & Marketing Dept.

Heather Bolick
Office of Sustainability

FY 2025

FINANCIAL RESULTS

Government-Wide Statements

Most of the city’s basic services, such as public safety, community planning and development, and streets and highways, are listed as governmental activities. 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, stormwater system, airport, and public transit system are listed as business-type activities.

Statement of Net Position

The Statement of Net Position is a Balance Sheet that provides a snapshot of what the city owns (assets) and owes (liabilities). Net position represents the city’s investment in the assets it uses to provide services to residents.

Statement of Activities

The Statement of Activities is an income statement that summarizes amounts received (revenues) and amounts spent (expenses). A positive difference between revenue and expenses indicates the city has enough revenues to cover its obligations and the ability to save for the future.

STATEMENTS OF NET POSITION AND ACTIVITIES

Amounts in Thousands

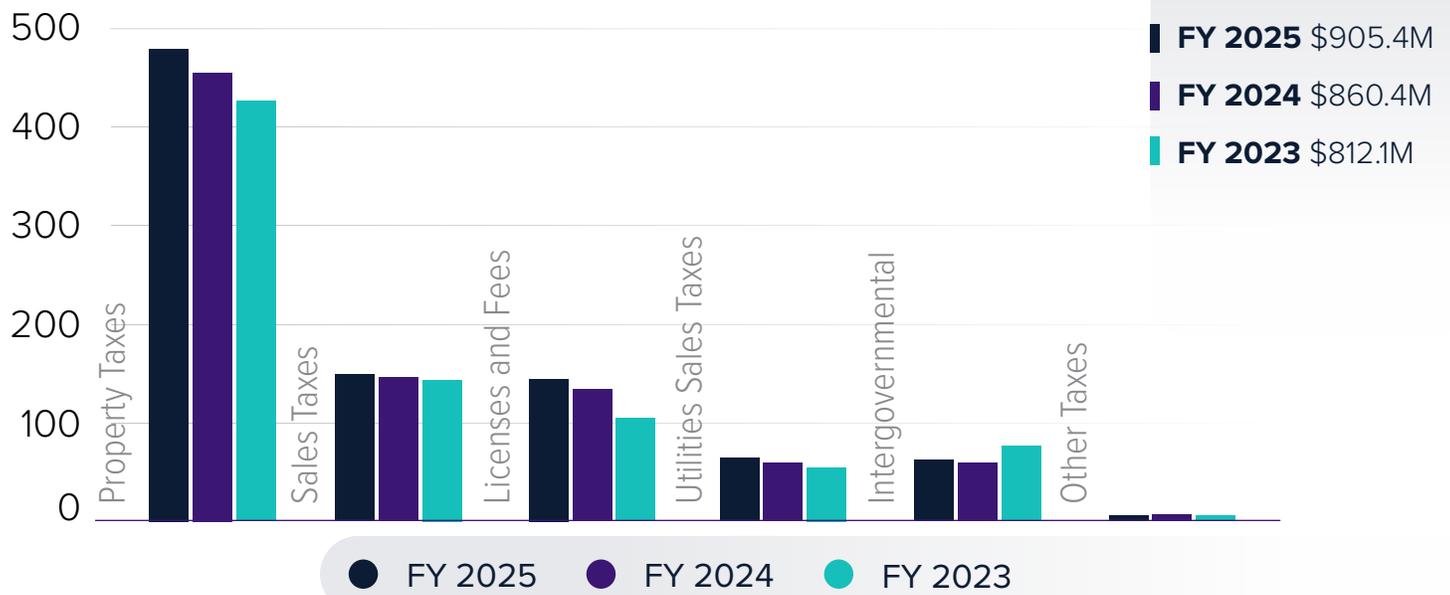
Governmental Activities	2025 Restated	2024 Restated	2023
Total Assets and Deferred Outflows	9,533,245	9,439,529	9,155,701
Total Liabilities and Deferred Inflows	3,842,591	3,867,981	3,820,314
Total Net Position	5,690,654	5,571,548	5,335,387
Total Revenues	1,662,510	1,555,733	1,308,167
Total Expenses	(1,532,020)	(1,319,572)	(1,170,746)
Restatement (GASB 101 & FY 2024) Error Correction	(11,384)	(5,564)	-
Change in Net Position	119,106	236,161	137,421

Business-Type Activities	2025 Restated	2024	2023
Total Assets and Deferred Outflows	14,662,418	13,900,703	12,715,413
Total Liabilities and Deferred Inflows	5,843,948	5,612,469	4,989,602
Total Net Position	8,818,470	8,288,234	7,725,811
Total Revenues	2,011,854	1,908,487	1,669,628
Total Expenses	(1,476,179)	(1,346,064)	(1,230,892)
Restatement (FY 2025 GASB 101)	(5,439)	-	-
Change in Net Position	530,236	562,423	438,736

FY 2025 GENERAL FUND

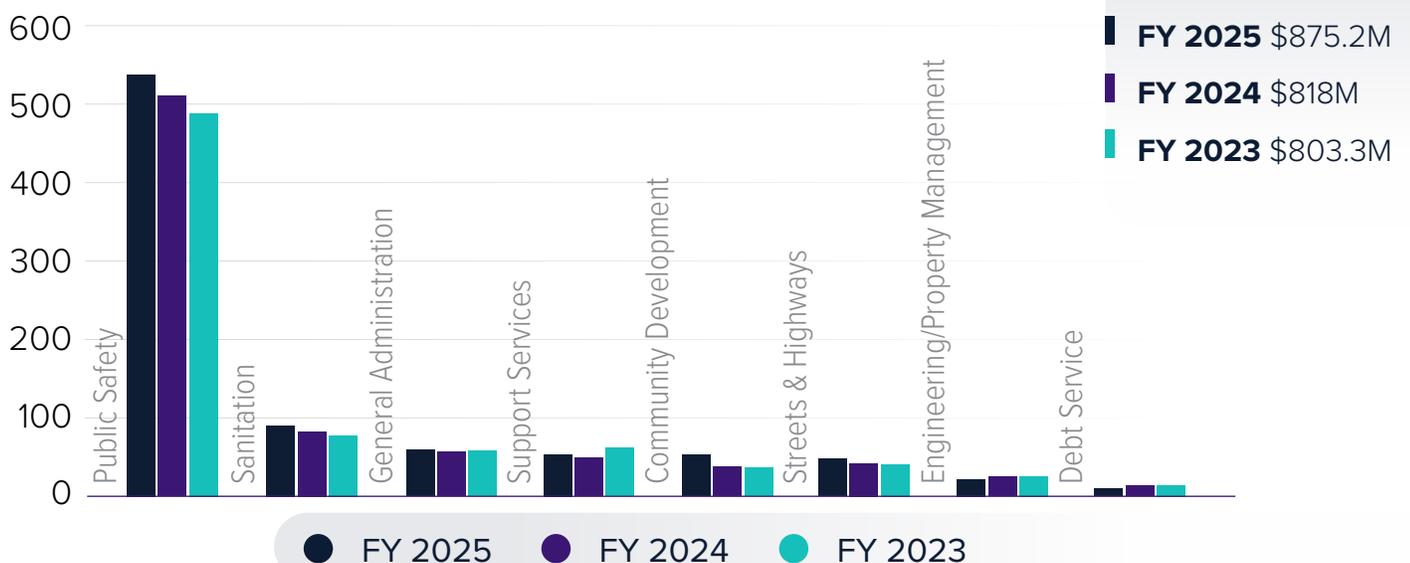
REVENUES AND EXPENDITURES

GENERAL FUND REVENUES



Property taxes made up approximately 52% of the General Fund FY 2025 revenues. These revenues have shown to be very stable, staying above a 99% collection rate. Sales tax revenues made up approximately 16% of the General Fund FY 2025 revenues.

GENERAL FUND EXPENDITURES



FY 2025 expenditures increased over FY 2024 to address the mayor and Council’s priorities, including community safety, neighborhood improvements and economic growth. Increases in the public safety pay plan contributed to the increase in expenditures.

GENERAL FUND

FIVE-YEAR TREND

Cities prepare for the unexpected by having reserves in the form of fund balance.

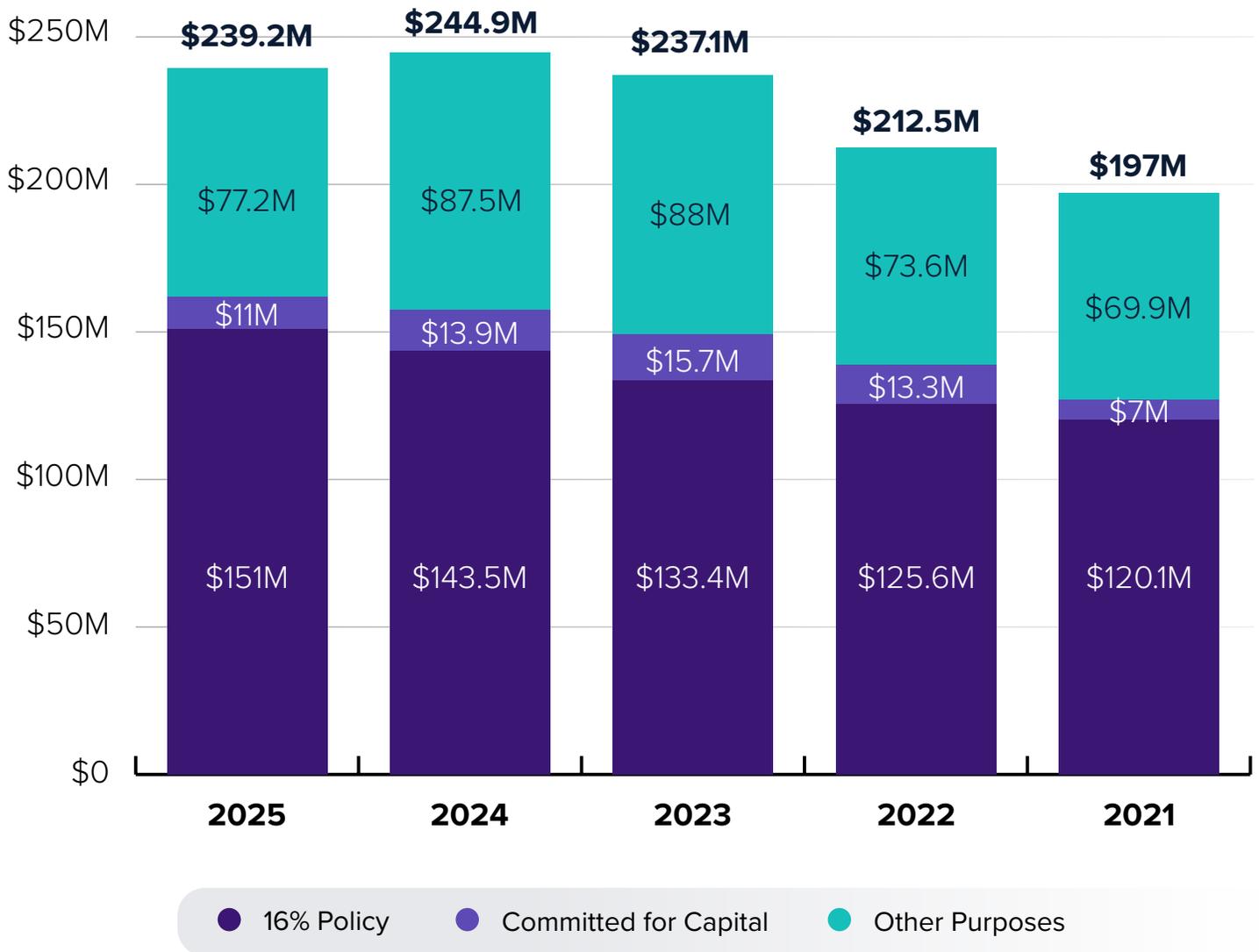
FUND BALANCE

Cities prepare for the unexpected by having reserves in the form of fund balance. Reserves are similar to savings because they provide financial flexibility to react to economic downturns and unforeseen circumstances in a timely manner. In governmental accounting and financial reporting, maintaining fund balance is a major factor considered by bond rating agencies when they evaluate the city's credit worthiness.

The city has a policy to maintain in the General Fund a fund balance at 16%, which is reported as unassigned fund balance and available for any purpose in the

General Fund. Any fund balance amount exceeding the 16% is dedicated to capital expenses, unless otherwise directed by the Charlotte City Council. This amount is reported as committed fund balance because it is constrained by an action of the City Council.

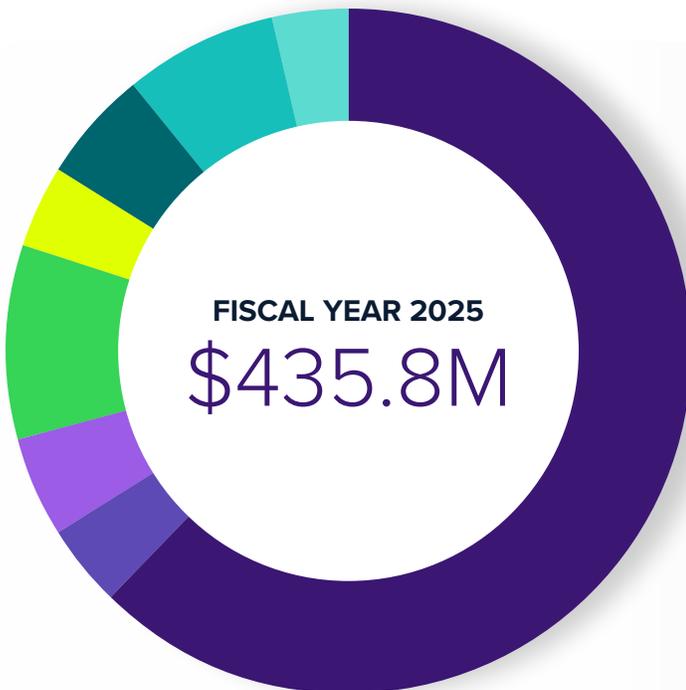
Other fund balance categories are nonspendable, restricted and assigned. Nonspendable fund balance is in a form that cannot be spent, such as inventory. The use of restricted fund balance is constrained by the provider, such as a grantor. An assigned fund balance amount is used for a specific purpose, such as a debt service payment.



CAPITAL PROJECTS FUND

The Capital Projects Fund accounts for financial resources supporting capital projects during the life of the projects.

The city undertakes capital projects to acquire, develop, improve or maintain various facilities, other infrastructure and/or equipment. These projects are generally large in scale, require large sums of money and are long term. Money for capital projects comes largely from proceeds of the bond sales, debt-financing agreements and taxes. The repayment of these borrowing sources is accounted for in the Debt Service Funds. These long-term expenses are outlined in more detail in the multiyear Capital Investment Plan.



TOTAL CAPITAL PROJECTS FUND REVENUES



TOTAL CAPITAL PROJECTS FUND EXPENDITURES

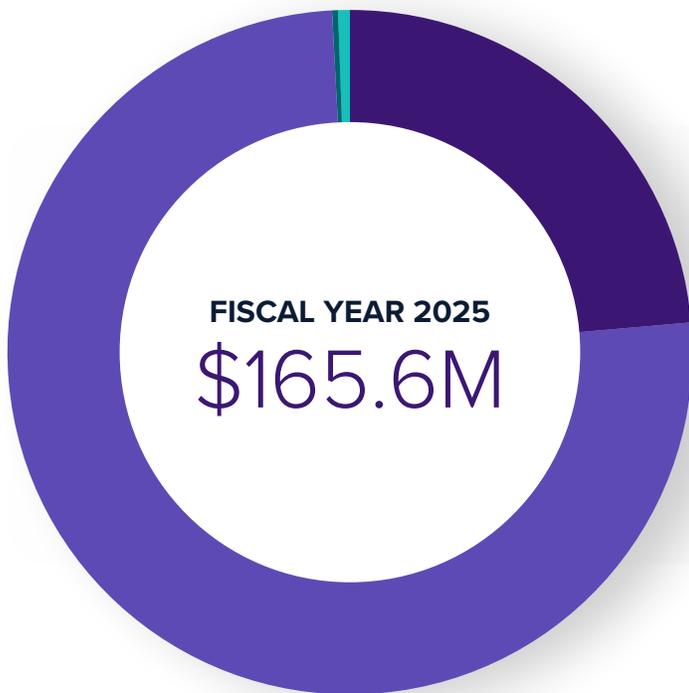


DEBT SERVICE

The City of Charlotte issues debt to fund general governmental capital needs. The city's long-term debt is repaid from a governmental fund called the Debt Service Fund.

The city's sound financial condition is evidenced by the continuation of its AAA rating from Moody's Investors Service and AAA ratings from Standard & Poor's Ratings Services and Fitch Ratings. Charlotte is one of the few major cities in the United States 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. Total outstanding debt for governmental funds as of FY 2025 is \$1.8 billion. The FY 2025 budget included a planned use of fund balance of \$14.8 million. During the year, revenues exceeded the budget and expenditures were less than the budget, resulting in a smaller use of fund balance.

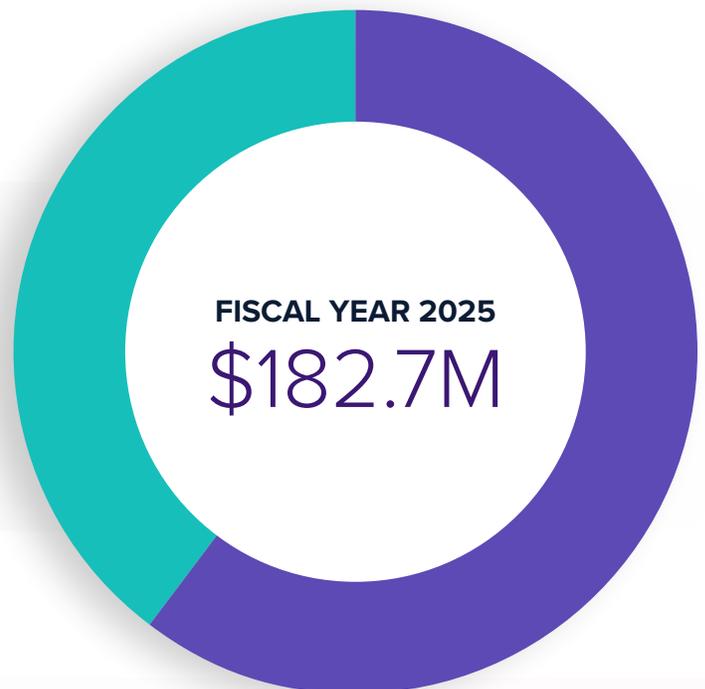


TOTAL DEBT SERVICE FUND REVENUES

- \$39M** Other Sources
- \$125.3M** Property Taxes
- \$0.6M** Net Transfers With Other Funds
- \$0.7M** Debt Issued

TOTAL DEBT SERVICE FUND EXPENDITURES

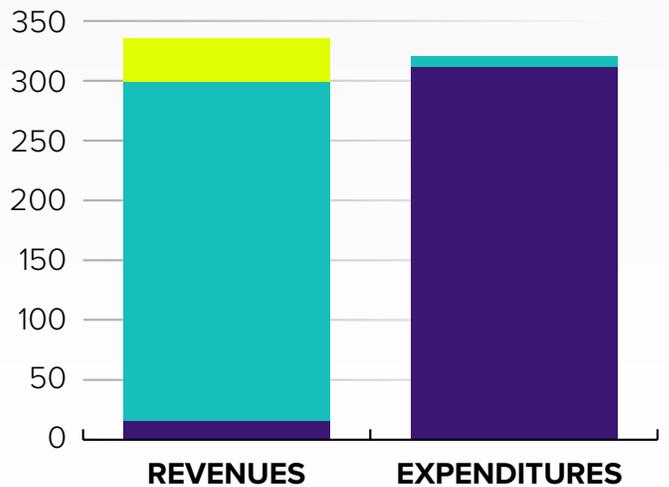
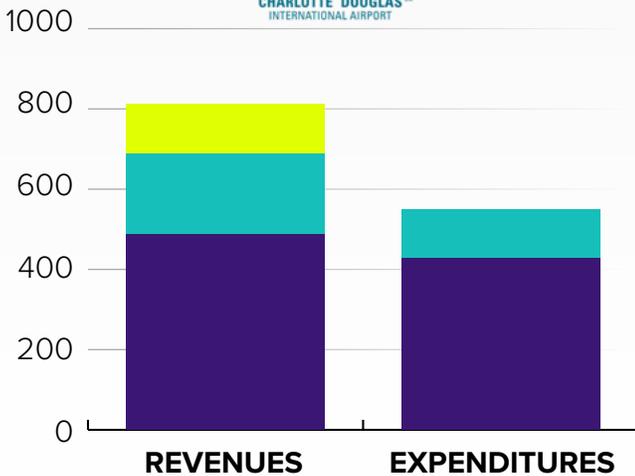
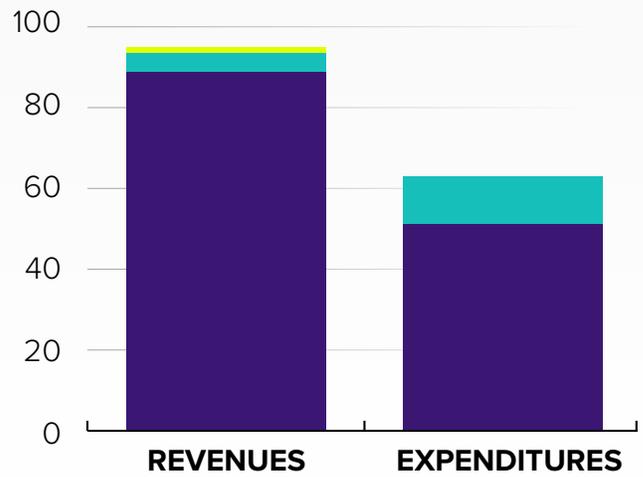
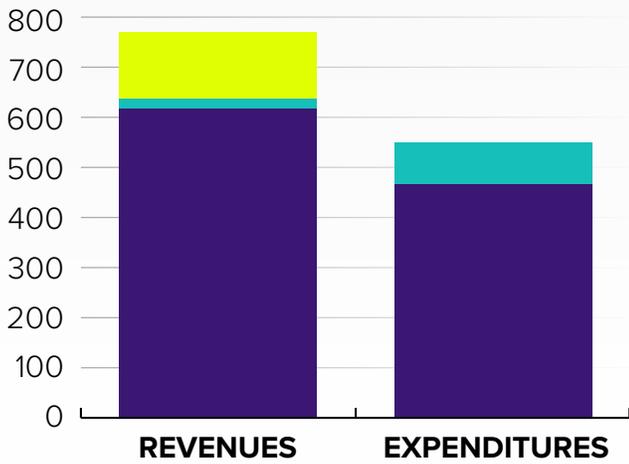
- \$110.4M** Principal
- \$72.3M** Interest and Other Charges



ENTERPRISE FUNDS

Enterprise funds are self-supporting funds created when a public service generates enough revenues to pay for its costs.

These funds account for services for which the city charges customers a fee. Fees can be used for operating costs, capital and debt service. The City of Charlotte's Enterprise Fund departments include the Aviation Department, Charlotte Water, Charlotte-Mecklenburg Storm Water Services and the Charlotte Area Transit System. Total outstanding debt for enterprise funds as of FY 2025, is \$5.1 billion.



● OPERATING
 ● NONOPERATING
 ● CAPITAL CONTRIBUTIONS AND TRANSFERS

KEY STRATEGIC PRIORITIES

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



Reviewing Services for Alignment and Further Efficiencies

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



Supporting Public Safety Operations

Public safety remains a central focus, with recurring investments in communication equipment, fire engines, police vehicles, and specialty apparatus to keep pace with population growth and community expectations. The city is advancing its \$107 million firehouse expansion program, with new facilities opening in Hidden Valley, Beam Road, and the River District in FY 2026. Charlotte’s first all-electric fire engine will also be deployed that year. Investments in training facilities, including a proposed Commercial Burn Building, will enhance firefighter preparation. Staff expansion includes a new Fire Investigator and two Emergency Planners to bolster emergency management capabilities. In addition, the FY 2026 budget strengthens Charlotte-Mecklenburg Police Department and Charlotte Fire Department staffing and retention through the Public Safety Pay Plan. These investments support competitiveness in recruitment and retention while ensuring the city maintains a highly trained, professional public safety workforce. These initiatives strengthen core services, support growth and ensure Charlotte is positioned to deliver safe, efficient and modern public safety services.



Maintaining a Focus on Workforce Development and Small Business

The City of Charlotte continues its commitment to workforce development and small business support in FY 2026. Building on the 2025–2029 Workforce Development Strategic Plan, \$2.7 million in remaining American Rescue Plan Act funds will be used to strengthen career pathways, close skills gaps, and target industries tied to mobility investment. An additional \$900,000 from the Corridors of Opportunity program will also support workforce development initiatives. The Education to Employment (E2E) Program will continue, giving CMS graduates access to full-time, entry-level city jobs with pay and benefits across eight departments. To further support economic growth, the city will launch a Small Business Readiness Fund with \$1.5 million to help locally owned businesses build capacity and compete for contracts in high-growth industries. Existing programs such as AMP Up Charlotte and NXTICLT, which provide resources and education for minority- and women-owned businesses, will continue with \$450,000 in funding. Together, these initiatives reinforce Charlotte’s focus on creating equitable career opportunities and supporting small business participation in the city’s economic future.

Moving Mobility Forward

Charlotte is reinforcing its commitment to safe, affordable housing, economic mobility, and accessible transportation by prioritizing investments in mobility. The Strategic Mobility Plan, developed over the past three years, serves as a blueprint for addressing transportation needs and guiding investments where they will have the greatest community impact. The plan emphasizes safe, walkable neighborhoods, expanded mobility options, and reduced congestion. Its implementation strategy focuses on urgency and delivering projects quickly to meet today’s needs while also preparing for long-term growth. In FY 2025 City Council adopted, and voters approved, a Transportation Bond that provides \$55 million for Strategic Investment Areas (SIAs). Within months, all bond funding was programmed into two SIAs, with sidewalk construction beginning in early 2025 with a focus on engaging with small businesses and workforce development. By aligning departments under a shared strategy and accelerating project delivery, the city is positioning itself to manage future large-scale investments and ensure mobility improvements directly benefit Charlotte’s communities.



Succeeding with Sustainability

Over the past six years, Charlotte has built a strong foundation for its Strategic Energy Action Plan (SEAP), using lessons from early implementation, updated science, and evolving technology and policy. In FY 2025, the plan now called SEAP+ was refreshed with expanded public and advisory engagement, revised municipal energy goals, the addition of a renewable energy generation target, and interim milestones set for 2030 and 2035, with an overall goal of 2050. A new fourth focus area was also introduced, emphasizing system-wide connections such as waste reduction, data sharing, tree canopy preservation, water conservation, and community resilience. In FY 2026, the Office of Sustainability and Resilience will continue advancing SEAP+ by strengthening collaboration across city departments, partnering with community organizations, and engaging residents to drive progress. The plan will also emphasize efficiency by linking city service inputs and outputs to Council's broader priorities. To support this work, the city is committing \$2.75 million (\$250,000 PAYGO and \$2.5 million in Certificates of Participation (COPS) funding) in FY 2026, reinforcing Charlotte's commitment to sustainability and long-term resilience.



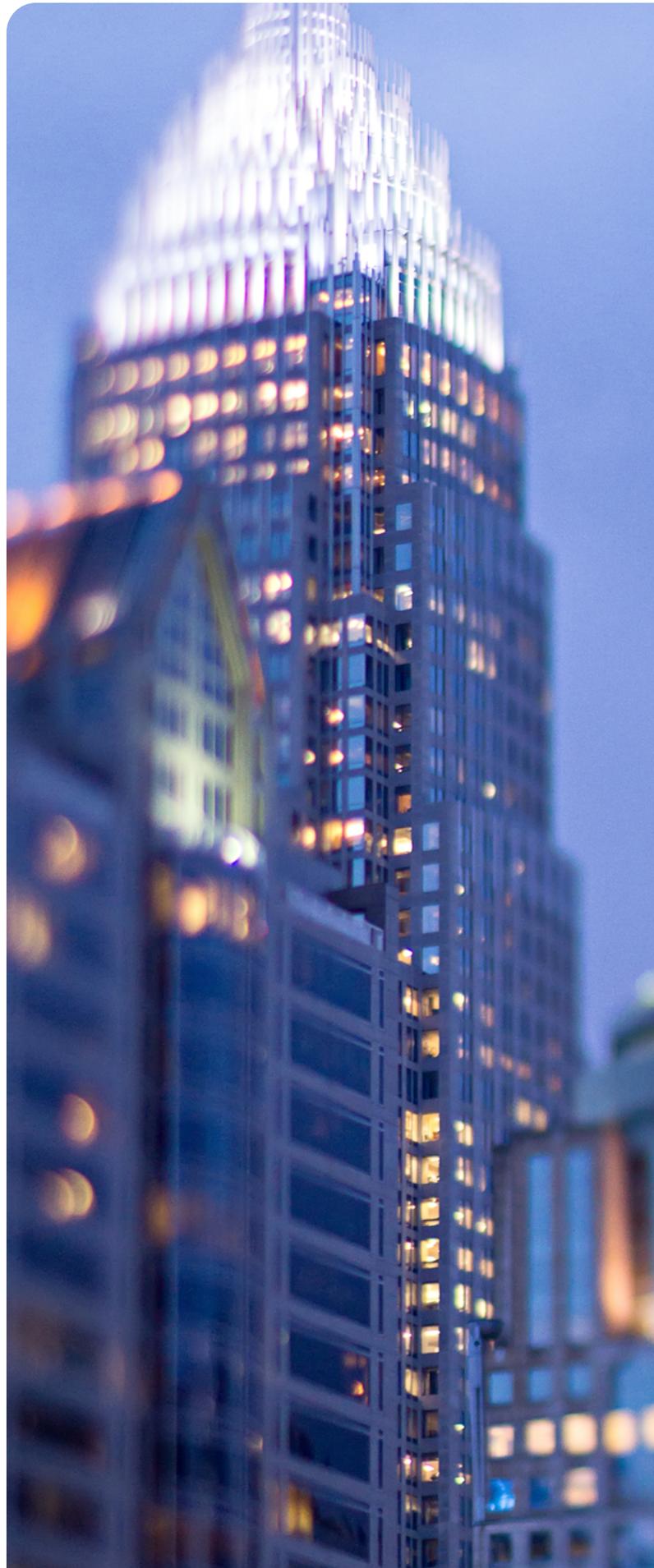
Corridors of Opportunity and Strategic Investment Areas

The Corridors of Opportunity program, launched in 2020, has become a catalyst for community investment and revitalization. By leveraging federal funding, private partnerships, and neighborhood engagement, the program has generated a return of \$1.71 for every \$1 of city investment. In FY 2025, City Council allocated \$5 million to be used over two years to continue this work. For FY 2026, \$500,000 will be invested along Beatties Ford Road, supporting projects such as bicycle connections, new sidewalks, planting strips, pedestrian improvements, and safer intersections. Similar to the Corridors of Opportunity, the city has 22 Strategic Investment Areas and funding is allocated to implement scalable projects across a range of project types that support mobility innovation pilots and test mobility strategies in regional activity centers. Specific projects and service concepts could include: improving sidewalk gaps, adding turn lanes, streetlighting, signal updates, pedestrian and bike crossings, micotransit zones, and mobility hubs.



Affordable Housing

The 2024 \$100 million Housing Board Referendum represents a landmark investment and a new direction for affordable housing in Charlotte. As the largest bond of its kind ever approved by voters, it will expand housing production, add thousands of new units, and broaden the types of housing and services available to residents. Unlike previous housing bonds that focus mainly on multi-family construction, this bond introduces a more holistic approach that includes supportive services to promote resident health, stability, and long-term development. The referendum was approved by voters in the fall of 2024, and as part of the City Council's FY 2025 budget, the investment is distributed across several priorities. These include \$35 million for rental housing production, \$25 million to expand homeownership opportunities, and \$14 million for rental housing preservation and anti-displacement efforts. The bond also provides \$9 million for supportive housing and shelter capacity, \$5 million for rehabilitation and emergency repair, \$5 million for an innovation pilot fund, \$5 million for site acquisition, and \$2 million for administration and evaluation.



GLOSSARY OF TERMS

A

ANNUAL COMPREHENSIVE FINANCIAL REPORT (ACFR)

Provides complete and accurate financial information prepared in conformance with generally accepted accounting principles.

ASSESSED PROPERTY VALUATION

Dollar value set on real estate or other property as a basis for levying taxes. North Carolina law requires all real property be assessed at fair market value at least every eight years. Mecklenburg County lists, discovers, assesses and processes appeals for ad valorem tax purposes. Real estate taxes are based on the assessed property valuation as of the date of the latest countywide reappraisal divided by 100 and multiplied by the tax rate. For FY 2025, the latest countywide reappraisal took place on Jan. 1, 2023.

ASSETS

City-controlled resources with economic value.

AVIATION DEPARTMENT

Enterprise Fund department established to manage and account for the acquisition, operations, maintenance and capital programs of the Charlotte Douglas International Airport. The airport was established in 1935 as Charlotte Municipal Airport.

B

BUDGET

A legal authorization granted by the Charlotte City Council to make expenditures and incur obligations for specific purposes. North Carolina law requires local governments have an

adopted ordinance specifying a budget plan by the end of the fiscal year, which is June 30 for the City of Charlotte.

BUSINESS-TYPE ACTIVITIES

Activities that resemble private-sector businesses in which the consumer is charged for services provided by the city. The city's business-type activities include Charlotte Water, Charlotte-Mecklenburg Storm Water Services, the Aviation Department and Charlotte Area Transit System.

C

CAPITAL CONTRIBUTIONS

Assets provided to a government for purchasing or constructing capital assets. Examples of capital contributions include capital grants and donated infrastructure.

CAPITAL INVESTMENT PLAN (CIP)

A five-year plan detailing annual appropriations from specific funding sources for capital projects such as street improvements, building construction and facility maintenance. The CIP includes all projects, funding sources and expenditure amounts.

CAPITAL PROJECTS FUND

Fund used in governmental accounting to track and report financial resources used for capital spending, including the acquisition or construction of capital facilities and other capital assets.

CHARLOTTE AREA TRANSIT SYSTEM (CATS)

Enterprise Fund department established to manage and account for the acquisition, operations, maintenance and capital programs of the city's transit system. CATS was created in 2000 after a successful public referendum in 1998 to

fund future transit initiatives.

CHARLOTTE-MECKLENBURG STORM WATER SERVICES

Enterprise Fund department established to manage and account for the acquisition, operations, maintenance and capital programs of stormwater systems. Storm Water Services was established in 1993.

CHARLOTTE WATER

Enterprise Fund department established to manage and account for the acquisition, operations, maintenance and capital programs of the city's water and sewer systems. With history as far back as 1899, Charlotte Water as it exists today formed as a city department in 1972.

COMMUNITY PLANNING AND DEVELOPMENT

Category of expenses focused on creating great places for our community by designing vibrant and inclusive neighborhoods and creating a climate where all businesses innovate and prosper.

D

DEBT SERVICE

Annual principal and interest payments the city owes on money it has borrowed.

DEBT SERVICE FUND

Fund used in governmental accounting to track the accumulation of resources for and the payment of long-term debt service and related costs.

DEFERRED INFLOWS

Resources coming into a government during a fiscal year that are related to a future reporting period.

E

ENGINEERING AND PROPERTY MANAGEMENT

Category of expenses focused on design and construction of city infrastructure projects, caring for the tree canopy and other landscaping and managing real estate and facilities.

ENTERPRISE FUNDS

Funds used to account for and report an activity for which a fee is charged to external users for goods or services.

EXPENSE/EXPENDITURE

A resource leaving a government during the fiscal year that are related to that year.

F

FISCAL YEAR (FY)

A one-year fiscal period. The city's fiscal year extends from July 1 through June 30.

FULL-TIME EQUIVALENT (FTE)

The amount of time for which a position has been budgeted in relation to the amount of time a regular, full-time employee normally works in a year. One FTE is equivalent to one employee working full-time.

FUND

An accounting entity with a self-balancing set of accounts used for recording financial transactions of segregated, specific activities.

FUND BALANCE

The difference between assets and liabilities of a governmental fund. Fund balance incorporates the difference between the revenues and expenditures each year. Fund balance types include:

- **NONSPENDABLE FUND BALANCE**
Fund balance in a form that cannot be spent, such as inventory. Fund

balance amounts constrained by their providers, such as grantors.

- **COMMITTED FUND BALANCE**
Fund balance amounts constrained by an action of the Charlotte City Council.
- **ASSIGNED FUND BALANCE**
Fund balance amounts intended to be used for a specific purpose.
- **UNASSIGNED FUND BALANCE**
Fund balance amounts available for any purpose in the General Fund.

G

GENERAL ADMINISTRATION

Category of expenses focused on day-to-day operations of the city including setting policies, strategic leadership, local government records, legal services, personnel administration and communication and marketing.

GENERAL FUND

A central fund into which most of the city's general tax revenues and discretionary resources are pooled. The General Fund is allocated to support many of the operations of city government.

GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP)

A common set of accounting principles, standards and procedures that must be followed when compiling financial statements.

GOVERNMENTAL ACTIVITIES

Activities generally financed through taxes, intergovernmental revenues and other nonexchange revenues.

GRANTS

Funds received from outside parties including nonprofits, private entities and federal and state agencies.

I

INTEREST

Cost of borrowing money that must be repaid along with the principal.

INTERGOVERNMENTAL REVENUE

Shared revenue received from other governments, such as grants or reimbursements.

L

LIABILITIES

Present obligations to give up economic resources the government has little or no discretion to avoid.

LICENSES AND FEES

Costs charged to those who receive certain governmental services or use governmental facilities, such as solid waste service fees, land development fees and zoning petition filing fees. Fees vary with the type of activity.

LONG-TERM DEBT

A liability that arises from a contractual obligation to give up economic resources in one or more payments to settle an amount fixed at the date the contractual obligation is established. Types of long-term debt can include:

- **BONDS**
Long-term debt primarily used to finance infrastructure projects, including housing, neighborhood improvements, streets and highways, as well as Enterprise Fund-related projects.
- **GENERAL OBLIGATION (GO) BONDS**
Bonds in which payment is guaranteed by the full faith and credit of the government body. This type of bond requires voter approval and occurs in November of even-numbered calendar years.
- **REVENUE BONDS**
Bonds in which payment is payable

from a specific source of revenue and to which the full faith and credit of an issuer with taxing power is not pledged.

• **BOND ANTICIPATION NOTES (BAN)**

Short-term, interest-bearing notes issued in anticipation of bond proceeds to be received later.

• **CERTIFICATES OF PARTICIPATION (COPS)**

Long-term financing tool, traditionally used for facility construction or renovation, that pledges an asset in exchange for borrowed debt, similar to a home mortgage. This debt does not require voter approval and does not follow the same biennial schedule as general obligation bonds.

N

NET POSITION

The difference between assets, liabilities, deferred outflows of resources and deferred inflows of resources for government-wide statements and enterprise funds.

NONOPERATING REVENUES AND EXPENSES

Revenues and expenses not qualifying as operating items in business-type activities.

O

OPERATING REVENUES AND EXPENSES

Revenues generated from the cost of goods sold and services provided to customers.

OTHER TAXES

Includes 8% occupancy tax on an accommodation within Mecklenburg County and a tax on gross receipts derived from heavy equipment sales.

P

PRINCIPAL

Amount of debt owed, not including interest, for funds that are borrowed.

PROPERTY TAX

A tax based on the value of taxable property, including real estate, registered motor vehicles and personal property. For FY 2025, the property tax rate was 27.41 cents per \$100 of assessed valuation, allocated across three funds: General Fund (20.96 cents), Debt Service Fund (5.51 cents) and Pay-As-You-Go Capital (0.94 cents).

PUBLIC SAFETY

Category of expenses focused on the services of the police and fire departments, which aim to enhance the quality of life throughout the community and preserve life and property.

R

RATING

An opinion by a rating agency of the creditworthiness of a bond.

REVENUE

A resource coming into a government during a fiscal year that is related to that period.

S

SANITATION

Category of expenses focused on protecting public health by providing environmentally friendly solid waste collection programs.

SALES TAX

Tax paid on retail sales in North Carolina totaling 7.25%: State sales tax, 4.75%; local sales tax, 2%; and transit sales tax, 0.5%. The local sales tax portion consists of a one-cent tax levied in 1967, a half-cent tax levied in 1983 and a half-cent tax levied in 1986.

The transit sales tax is an additional half-cent tax levied in 1998 to support the transit system. The State of North Carolina collects sales taxes and distributes it.

SOLID WASTE FEE

A fee to offset a portion of the cost of providing solid waste services.

STRATEGIC PRIORITIES

Areas of focus established by the Charlotte City Council that serve as the framework for allocating funds and resources.

STREETS AND HIGHWAYS

Category of expenses focused on providing a safe and efficient multimodal transportation system that supports economic mobility and sustains the community's quality of life.

SUPPORT SERVICES

Category of expenses focused on providing support to Charlotte City Council, staff and the public through technologies and financial management.

T

TRANSFERS IN AND OUT

The movement of assets into one fund and out of another fund.

U

UTILITY FRANCHISE SALES TAX

A sales tax on electricity and piped natural gas. The State of North Carolina collects the tax and distributes revenues to localities.

