CHARLOTTE.

City of Charlotte, North Carolina

Comprehensive Annual Financial Report

For The Fiscal Year Ended June 30, 2010

City of Charlotte, North Carolina
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2010

Mayor: Anthony Foxx

Mayor Pro Tem: Patrick Cannon

City Council:

Michael Barnes

Jason Burgess, filling unexpired term of Susan Burgess (1946 - 2010)

Nancy G. Carter

Warren Cooksey

Andy Dulin

David Howard

Patsy Kinsey

James Mitchell, Jr.

Edwin Peacock

Warren Turner

City Manager: W. Curtis Walton, Jr.

Prepared by the City of Charlotte Finance Department
Greg C. Gaskins, Director of Finance
Teresa T. Smith, Financial Reporting Manager

CITY OF CHARLOTTE, NORTH CAROLINA
TABLE OF CONTENTS

Page

INTRODUCTORY SECTION

Letter of Transmittal 1

Certificate of Achievement for Excellence in Financial Reporting 13

Organizational Chart 14

FINANCIAL SECTION

Independent Auditors' Report 15

Management's Discussion and Analysis 17

Basic Financial Statements:

Government-wide Financial Statements:

Statement of Net Assets 29

Statement of Activities 30

Fund Financial Statements:

Balance Sheet – Governmental Funds 32

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets 33

Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds 34

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities 35

Statement of Budgetary Comparison – General Fund 36

Reconciliation of the Statement of Budgetary Comparison to the Statement of Revenues, Expenditures and Changes in Fund Balances – General Fund 37

Statement of Net Assets – Proprietary Funds 38

Statement of Revenues, Expenses and Changes in Fund Net Assets – Proprietary Funds 42

Statement of Cash Flows – Proprietary Funds 44

Statement of Fiduciary Net Assets – Fiduciary Funds 48

Statement of Changes in Fiduciary Net Assets – Fiduciary Funds 49

Index to the Notes to the Financial Statements 50

Notes to the Financial Statements 52

CITY OF CHARLOTTE, NORTH CAROLINA
TABLE OF CONTENTS-(Continued)

Page

FINANCIAL SECTION (continued)

Combining and Individual Fund Statements and Schedules:

Nonmajor Governmental Funds:

Description 113

Combining Balance Sheet 114

Combining Statement of Revenues, Expenditures and Changes in Fund Balances 116

Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual (Non-GAAP Basis) – Special Revenue Funds (Budgeted Annually) 118

Schedule of Expenditures Compared with Authorizations:

Public Safety Grants Fund 122

Neighborhood Development Fund 123

Employment and Training Fund 124

Stimulus Grants Fund 125

Emergency Communications Fund 126

Debt Service and Capital Projects Funds:

Description 127

Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual (Non-GAAP Basis) – Debt Service Fund 128

Schedule of Expenditures and Encumbrances Compared with Authorizations – Capital Projects Fund 130

Enterprise Funds:

Description 133

Water and Sewer:

Schedule of Revenues, Expenditures and Transfers – Budget and Actual (Non-GAAP Basis):

Operating Fund 135

Debt Service Fund 136

Schedule of Reconciliation of Budgetary (Non-GAAP Basis) to Full Accrual Basis 137

Schedule of Expenditures and Encumbrances Compared with Authorizations – Capital Projects Fund 138

Page

FINANCIAL SECTION (continued)

Combining and Individual Fund Statements and Schedules (continued):

Enterprise Funds (continued):

Storm Water:

Schedule of Revenues, Expenditures and Transfers – Budget and Actual (Non-GAAP Basis):

Operating Fund 141

Debt Service Fund 142

Schedule of Reconciliation of Budgetary (Non-GAAP Basis) to Full Accrual Basis 143

Schedule of Expenditures and Encumbrances Compared with Authorizations – Capital Projects Fund 144

Airport:

Schedule of Revenues, Expenditures and Transfers – Budget and Actual (Non-GAAP Basis):

Operating Fund 147

Debt Service Fund 148

Schedule of Reconciliation of Budgetary (Non-GAAP Basis) to Full Accrual Basis 149

Schedule of Expenditures and Encumbrances Compared with Authorizations – Capital Projects Fund 150

Public Transit:

Schedule of Revenues, Expenditures and Transfers – Budget and Actual (Non-GAAP Basis):

Operating Fund 153

Debt Service Fund 154

Schedule of Reconciliation of Budgetary (Non-GAAP Basis) to Full Accrual Basis 155

Schedule of Expenditures and Encumbrances Compared with Authorizations – Capital Projects Fund 156

Internal Service Funds:

Description 159

Combining Statement of Net Assets 160

Combining Statement of Revenues, Expenses and Changes in Fund Net Assets 161

Combining Statement of Cash Flows 162

CITY OF CHARLOTTE, NORTH CAROLINA
TABLE OF CONTENTS-(Continued)

Page

STATISTICAL SECTION

Description 163

Government-wide Information:

Net Assets By Component 165

Changes in Net Assets 166

Fund Information:

Fund Balances, Governmental Funds 168

Changes in Fund Balances, Governmental Funds 170

Assessed and Actual Value of Taxable Property 172

Direct and Overlapping Property Tax Rates 173

Principal Property Tax Payers 174

Property Tax Levies and Collections 175

Analysis of Current Tax Levy 176

Ratios of Outstanding Debt By Type 178

Direct and Overlapping Bonded Debt 180

Legal Debt Margin Information 181

Water and Sewer Revenue Bond Coverage 182

Storm Water Revenue Bond Coverage 183

Airport Revenue Bond Coverage 184

Demographic and Economic Statistics 185

Principal Employers 186

Full-Time Equivalent Employees by Function/Program 187

Operating Indicators by Function/Program 188

Capital Asset Statistics by Function/Program 189

Page

SINGLE AUDIT SECTION

Independent Auditor's Report 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....191

Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Federal Program and Internal Control Over Compliance in Accordance with OMB Circular A-133 and the State Single Audit Implementation Act....193

Independent Auditor's Report on Compliance with Requirements Applicable to Each Major State Program and Internal Control Over Compliance in Accordance with Applicable Sections of OMB Circular A-133 and the State Single Audit Implementation Act....195

Schedule of Findings and Questioned Costs....197

Schedule of Corrective Action Plan....201

Summary of Prior Year Findings....202

Schedule of Expenditures of Federal and State Awards....203

Notes to the Schedule of Expenditures of Federal and State Awards....215

CHARLOTTE℠

CHARLOTTE

October 31, 2010

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

State law requires that all general-purpose local governments publish a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the City of Charlotte (City) for the fiscal year ended June 30, 2010.

This report consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide 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.

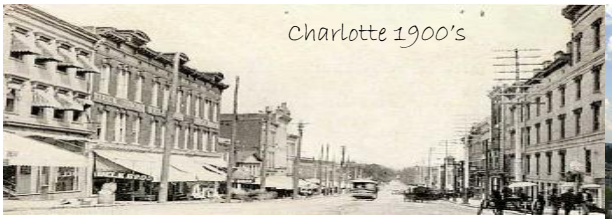
The City's financial statements, as required by North Carolina General Statute 159-34, have been audited by Cherry, Bekaert & Holland, L.L.P., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended June 30, 2010, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City's financial statements for the fiscal year ended June 30, 2010, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City was part of a broader, federally and state mandated "Single Audit" designed to meet the special needs of federal and state grantor agencies. The Single Audit was performed in compliance with the Single Audit Act of the U.S. Office of Management and Budget Circular A-133 and North Carolina General Statute 159-34 (Single Audit Implementation Act). 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 audited government's internal controls

and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the Single Audit Section at the end of this report.

GAAP require that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

Profile of the Government



Charlotte, located in Mecklenburg County, North Carolina, is the largest city between Baltimore and Jacksonville, Florida. The City is in the Piedmont Region of the Carolinas, two hours east of the Appalachian Mountains and three and one-half hours west of the Atlantic Ocean. New York City is 631 miles to the northeast and Atlanta is 256 miles to the southwest. Location and growth reinforce the City's role as a regional center in the Southeast.

The City, incorporated in 1768, became the county seat in 1774 and has grown from an initial 360 acres to a present area covering 299 square miles of the 527 square miles in Mecklenburg County. The City owes its name to German born Queen Charlotte, wife of England's King George III, and the County's name to her birthplace of Mecklenburg. That is why Charlotte is referred to as the "Queen City." With an estimated population of 756,912, Charlotte is the core of the Charlotte-Gastonia-Concord Metropolitan Statistical Area (MSA), an area of over 1.8 million people that includes six counties. The vision of the City is to be a model of excellence that puts citizens first and makes this a community of choice for living, working and leisure activities. The mission of the City is to ensure the delivery of quality public services that promote safety, health, and quality of life of its citizens.

The City of Charlotte has had a **council-manager** form of government since 1929. Policy-making and legislative authority are vested in a governing council consisting of a mayor and eleven other members 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 City Council is responsible for appointing the City Manager, City Attorney, City Clerk and members

of various boards and commissions which enact ordinances, resolutions and orders; reviewing the annual budget, setting the tax rate and approving the financing of all City operations; and authorizing contracts on behalf of the City. The City Manager is responsible for carrying out policies and ordinances, and directs the daily operations of the City through Manager-appointed key business executives (department heads).

The City provides a full range of services, including police and fire protection; the construction and maintenance of streets and other infrastructure; solid waste collection; water and sewer; storm water; an airport; and public transit. The City also has component units that are controlled by or dependent on the City. Control or dependence 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.

The **Strategic Operating and Capital Investment Plan** illustrates the allocation of resources to fund the City's operations and capital programs. The City develops annually updated two-year operating budgets and five-year capital budgets. The City Council identifies priorities enabling key business units to submit their budget requests based on organization focus and strategy. The Council Budget Committee ensures that the operating budget reflects the needs and issues of the City and the organization. Requests are submitted in January, followed by several half-day retreats, beginning in February, held to discuss requests that serve as the basis for the preliminary strategic operating plan presented to City Council in May. Workshops and public hearings are scheduled to enable citizens an opportunity to respond to the preliminary plan. In June, City Council adopts a final Strategic Operating and Capital Investment Plan. Budget-to-actual comparisons are provided in this report for each fund for which an appropriated annual budget has been adopted. For the general fund, this comparison is presented as part of the basic financial statements. For other funds with annual and project-length budgets, detailed budget-to-actual comparisons are presented in the 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.

Local Economy

Charlotte has emerged as a financial, distribution and transportation center of an entire urban region. There are 6.9 million people living within a 100-mile radius.

Financial Services Center - One of Charlotte's many strengths as a leading business center is the concentration of financial institutions and resources. The City ranks as the nation's second largest financial center in headquartered banking assets and is the home of Bank of America Corporation, one of the nation's largest banks based on deposits. Twenty-six banks, with approximately 226 banking offices, and a branch of the Federal Reserve Bank operate in Charlotte. Other financial services including mortgage banking, commercial finance and insurance industries are well represented.

Transportation and Distribution Hub - The City plays a major role in the transportation and distribution of goods throughout the nation. Charlotte/Douglas International Airport is considered the "gateway to the world" and is undergoing a major construction program that has added a third runway, and will result in additional parking and expanded terminals. The airport served 34,536,666 passengers in 2009. The Airport ranks 8th nationwide in operations, 11th in passengers and 40th in cargo. Eleven commercial airlines and fourteen regional carriers offer direct or non-stop service to 179 destinations, including 33 international destinations. There are twenty cargo carriers serving the area. With customs services available at the Airport and a foreign trade zone designation, the City is a port of entry and export.

Charlotte's trucking industry is served by two interstate highways that pass through the City limits, Interstate Highways 77 and 85 (I-77 and I-85), running north/south and northeast/southwest, respectively. Convenient access to the nation's interstate highway system makes Charlotte an appealing location for the trucking industry and more than fifty percent of the nation's population is within a 24-hour drive from the city. There are over 327 trucking companies located in Charlotte, including most of the nation's top trucking companies. Interstate 485 (I-485) is the Outer Belt highway serving Mecklenburg County and metropolitan Charlotte. The planned 67-mile loop is presently open or under construction with the exception of a six-mile segment to the northeast. Construction of this section is scheduled to begin in the spring of 2011. The unexpected growth that has surrounded the Interstate has led engineers to expand the newer freeway segments with additional lanes and better interchanges in order to handle the increased capacity. Upon completion, the highway will facilitate traffic from I-77 and I-85 with an alternative route to bypass the city. Economic development will continue to boom as much of it passes through suburban areas.

Charlotte is also the center of the country's largest consolidated rail system. Two major rail systems, Norfolk Southern Railway and CSX Transportation, bring more than 300 trains through Charlotte weekly and link Charlotte to 23 states, Washington, D.C. and Canada.

Business Environment – Charlotte enjoys a vibrant, balanced economy that encompasses many sectors, as well as companies that range in size from multinational to microbusiness. Charlotte ranks 8th nationally in number of Fortune 500 headquartered companies, and it is home to operations for 326 companies that are listed on the Fortune 500. The City also has 957 Dun & Bradstreet "Million Dollar Companies." Approximately 565 foreign-owned firms representing thirty-nine nations are located here. Charlotte was ranked number one by *Site Selection* magazine's list of top U.S. cities for foreign investment. Charlotte is a major manufacturing force. There are approximately 1,373 manufacturing firms here, more than any other City and County in the Carolinas. Excluding leather and petroleum product manufacturing, Mecklenburg County has every major type of manufacturing segment. Charlotte has experienced the growth of intelligent manufacturing, with approximately 2,200 workers employed within medical equipment manufacturing.

Top Five Industries (by number of employees)

- *Wholesale and Retail Trade*
- *Education, Healthcare and Social Services*
- *Finance and Insurance*
- *Accommodations and Food Services*
- *Administrative and Waste Services*

Growth Outlook - While many cities have seen construction costs rise, significant commercial growth continues throughout Charlotte. Charlotte's construction costs are 20 percent lower than the national average and one of the lowest of the major U.S. Distribution Centers and cities of comparable size. In 2009, more than 15,000 new jobs were created by over 1,000 firms, making a total investment of $1.5 billion. Charlotte has since seen the creation of 6,759 jobs by 464 firms, making a total investment of $1.4 million in the first half of 2010 which demonstrates the economic momentum Charlotte has created to overcome the current downturn. As proof of Charlotte's continued positive business climate, Uptown has seen more than 312,000 square feet of new or expanded business occupancy between July 2009 and first quarter 2010.

Construction is complete on the $1 billion Levine Center for the Arts and Duke Energy Center, a mixed use site that combines an office tower, numerous cultural facilities, public spaces and art, retail and future condominium development. The 1.5 million square foot, 48-story LEED Gold certified Duke Energy Center opened in late 2009. This LEED Certification makes the Duke Energy Center the most sustainable office tower in the world based on the new classification for LEED projects. The Knight Theater began hosting performances on October 10, 2009 and the Harvey B. Gantt Center for African – American Arts & Culture opened on October 24, 2009. The Bechtler Museum of Modern Art opened in January 2010 and the new Mint Museum opened in October 2010.

Construction was completed for the new $540 million One Bank of America Center, a 700,000 square foot, 30-story office tower across from Bank of America's corporate headquarters. Bank of America held a grand opening in June 2010. The Center also includes a 17-story, 146-room Ritz-Carlton hotel, which had its grand opening on October 1, 2009 and is adjacent to the office tower. The completed complex includes: an enclosed glass atrium and winter garden to accommodate special events, an enhanced glass pedestrian walkway across College Street, and the creation of one of the most environmentally-responsible office towers in the Southeast with plans for LEED Gold certification.

The 363,000 square feet, 15-story office building known as 440 South Church opened to tenants during the first quarter of 2010. This $73 million, LEED certified project is part of a master planned, full city block development designed to integrate within the overall redevelopment of the Third Ward. The development includes restaurants, coffee shops and an apartment tower.

In order to enhance UNC Charlotte's presence in uptown Charlotte, the University has begun construction of a 150,000 square foot, 12-story academic and office building in the First Ward. UNC Charlotte has purchased the land for the $50 million project and upon completion the University will move all of its Center City operations, which include the Architecture and Business Administration departments, into the new building. The building will accommodate masters programs in the following colleges: Information Technology, Health and Human Services, Engineering, and Arts and Sciences. The project is the first announced component of the new First Ward Urban Village.

Just outside of uptown, redevelopment continues in the Historic South End. Originally a hub for the railroad and textiles, the area fell into decline only to undergo a revival beginning in the 1990s that continues today. Major and successful projects such as Atherton Mill and the Arlington have transformed the South End into a true mixed-use, urban neighborhood with a balance of retail, business and housing. The current catalyst for the South End renaissance is the LYNX Blue Line light rail. The LYNX runs directly through the heart of South End and the district has three walk-up transit stops. This has sparked a wave of pedestrian-friendly development along the line, including several apartment projects such as Ashton South End, Circle at South End, Spectrum, and Millennium.

Charlotte's LYNX Blue Line South Corridor is the first light rail project in North Carolina. The line is approximately ten miles long and runs along I-77 from I-485 at South Boulevard to Center City Charlotte. The Blue Line provides service to fifteen stations where dozens of bus routes are timed to connect with the light rail. The Blue Line made its first trip in November 2007 and has significantly exceeded expectations for ridership numbers. The weekday LYNX average for fiscal year 2010 was 14,656 trips. Work also continues on the design and engineering for the LYNX Blue Line Extension, which will connect uptown Charlotte with UNC Charlotte. Even with a recent decline in ridership due to the economy, Charlotte Area Transit System (CATS) was still able to add new services, including Sprinter, a new line directly connecting the airport to uptown using a fleet of five hybrid electric busses. Despite the impact of the economic recession, CATS maintained core transportation services with no service or staff reductions.

Recreational, Visitor and Cultural Events - The City's eight percent hotel/motel and one percent prepared food and beverage taxes have provided a dedicated resource for the purpose of promoting the City as a destination for convention, business and leisure travel. Despite a reduction in business travel due to the economy, Mecklenburg County received $3.3 billion in domestic – traveler spending in 2009, the highest amount in North Carolina.

Charlotte Regional Visitors Authority (CRVA), a discretely presented component unit, focuses on tourism promotions and facilities management. Through CRVA, the City provides entertainment and exhibition facilities consisting of an auditorium, two enclosed sports arenas and a convention center. The CRVA also operates the NASCAR Hall of Fame complex.

In May 2005, the North Carolina General Assembly passed legislation providing for funding a NASCAR Hall of Fame. On March 6, 2006, NASCAR awarded the Hall of Fame to the City of Charlotte. An additional two percent county-wide occupancy tax finances the construction, repair, maintenance and financing of the Hall of Fame.

The Hall of Fame celebrated its grand opening on May 11, 2010. The Hall includes a 150,000 square foot museum, a new 102,000 square foot expansion to the Convention Center which includes a new 40,000 square foot ballroom and NASCAR Plaza, a 19-story, 390,000 square foot Class A office tower.

The City is home to two major-league sports franchises, the Carolina Panthers of the National Football League (NFL) and the Charlotte Bobcats of the National Basketball Association (NBA). Home for the Carolina Panthers is the Bank of America Stadium, a privately owned, 73,778-seat stadium in uptown Charlotte. The NBA's Charlotte Bobcats play in the uptown Time Warner Cable Arena. The Queen City is also home to the Charlotte Knights, the AAA affiliate of the Chicago White Sox; the Charlotte Checkers of the American Hockey League, affiliate of the NHL Carolina Hurricanes; and the Charlotte Eagles and Lady Eagles professional soccer teams. Charlotte Motor Speedway, the 1.5 mile super speedway, annually hosts three series of racing, including the Sprint Cup Series NASCAR Sprint All-Star Race, Coca-Cola 600, and the Bank of America 500; the Nationwide Series Wendy's 300 and Dollar General 300; and the Craftsman Truck Series North Carolina Education Lottery 200. Charlotte Motor Speedway is the largest sports facility in the Southeast, with 165,000 permanent seats and the capacity for nearly 40,000 more spectators in the infield, and is recognized as one of the finest NASCAR facilities in the U.S. Also attracting race fans is the zMax Dragway at Charlotte Motor Speedway. The drag racing facilities' track, pit areas and midway cover 125 acres and seats 30,000. The NHRA Carolinas Nationals is the opening round of the NHRA Full Throttle Drag Racing Series and was held at the dragway. College sports fans can attend the Meineke Car Care Bowl at Bank of America Stadium, which matches an ACC team against a Big East team, and the CIAA Basketball Tournament which is held in the Time Warner Cable Arena. Golf lovers can attend one of the top events on the PGA tour, the Wells Fargo Championship. The U.S. National Whitewater Center is located on the Catawba River and is the world's largest artificial whitewater river and U.S. Olympic Training site. The 307-acre facility includes whitewater rafting, kayaking, mountain biking and hiking trails, a climbing center and ropes course, along with a 2,400 square foot conference facility and restaurants.

Charlotte offers diverse facilities for culture, the arts, nature and science. Four new cultural arts facilities opened in 2009 and 2010 at the Levine Center for the Arts making Charlotte a major arts center in the South. The Bechtler Museum of Modern Art features mid-century modern art in various media by artists such as Alberto Giacometti, Joan Miro, Jean Tinguely and Barbara Hepworth. The Knight Theater is the new home for North Carolina Dance and also hosts other performing arts. The Harvey B. Gantt Center for African-American Arts + Culture serves as a community epicenter for music, dance,

theater, visual art, film, arts education programs, literature and community outreach. Finally, the new 145,000 square foot Mint Museum Uptown combines four collections (Craft + Design, Contemporary, American and selected European pieces) under one roof. Following the uptown opening on October 1, 2010, the Mint Museum Randolph will execute a reinstallation plan of its remaining galleries. The North Carolina Blumenthal Center for the Performing Arts, containing a 2,100-seat performance hall and a 440-seat theater, showcases the best in opera, symphony, chorus, dance and theater. The Charlotte Nature Museum, founded in 1946, provides programs and exhibits centered around a science theme of "Nature and Man." The "hands-on" science and technology museum, Discovery Place, features a 300-seat Omnimax theater and the largest planetarium dome in the United States. The 40,000 square foot Billy Graham Library on the grounds of the ministry's international headquarters in Charlotte includes a bookstore and a café. Also on the grounds is the Graham Family Home place. The Library has brought in over 325,000 visitors since the opening in 2007.

Education - The County operates Charlotte-Mecklenburg Schools (CMS), a consolidated City-County public school system with current enrollment of 134,951 students. The City has no direct financial responsibility for the school system operations or capital. Newsweek Magazine in 2010 ranked twelve CMS High Schools among the top 1,600 schools throughout the country with one in the top 100.

There are numerous opportunities for secondary education in the Charlotte area. UNC Charlotte, a research intensive university, is the fourth largest of the sixteen institutions within the University of North Carolina system and the largest institution in the Charlotte region. The university comprises seven professional colleges and currently offers 18 doctoral programs, 59 master's degree programs and 91 programs leading to bachelor's degrees. There are more than 950 full-time faculty and more than 24,700 students for the 2009 fall enrollment. UNC Charlotte adds approximately 4,500 new alumni each year. In addition, a survey by U.S. News & World Report ranked Davidson College 8th among the best liberal arts colleges in the country. In the southern region, Belmont Abbey College was recognized as a tier 1 school for its undergraduate program, while Queens University was recognized as a tier 1 school for its master's programs. Johnson & Wales University's Charlotte Campus combines career-focused educational programs with a full university experience at its downtown campus. Pfeiffer University at Charlotte has an urban campus and offers adult learners the opportunity to earn both undergraduate and graduate degrees. Wake Forest University continues to have a strong graduate school presence in Charlotte with several top-ranked MBA programs. Charlotte School of Law is located at the Western Gateway to Charlotte's Center City and serves as an anchor for future development of west side Charlotte. The school received provisional approval from the American Bar Association in June 2008 and welcomed its first alumni with the graduation of its inaugural class in May 2009.

Institutions of Higher Learning (MSA)

Universities	*14*
Four Year Colleges	*5*
Community Colleges	*3*
Professional Schools	*1*
Technical Institutes	*2*
Vocational Schools	*3*

Health Care - The City and County are served by a number of health care providers. There are nine major hospitals located in the Charlotte-Mecklenburg area representing two health care systems, Carolinas HealthCare System and Presbyterian HealthCare. With 26,283 employees, Carolinas Healthcare System is the region's largest employer. Charlotte's largest hospital, Carolinas Medical Center (CMC), is a state-designated Academic Medical Center Teaching Hospital and the area's only Level 1 Trauma Center. The center has a nationally-ranked urology department and is home to the area's only heart, liver, kidney and pancreas transplant programs. The CMC campus also includes the 234-bed Levine Children's Hospital dedicated to the care of children and their families, and is the largest such facility between Washington, D.C. and Atlanta. Presbyterian Healthcare is a not-for-profit healthcare provider under the parent organization of Novant Health. They received the 2008 Ernest A. Codman Award and were recognized as a top five percent hospital in the country for high-quality nursing care.

Long Term Financial Planning

Each year, in the early stages of budget planning, City Council establishes the areas of the community into which it wants to focus resources. These Focus Areas are the basis for budget decisions and operational programs. For fiscal year 2011, those areas are: **Community Safety, Housing and Neighborhood Development, Environment, Transportation and Economic Development**. The City uses the **Corporate Balanced Scorecard** performance measurement system to translate mission and strategy related to the Focus Areas into tangible objectives and measures; communicate strategy to employees; and ensure alignment of resources throughout the organization. City Strategy is documented in the Focus Area Plan and includes sixteen critical Corporate Objectives that guide and direct planning, decision making, and the accomplishment of the vision and mission of the City. For fiscal year 2011, Initiatives within each Focus Area include:

- **Community Safety.** *"Charlotte will be the safest largest city in America."* In 1994, the City Council adopted a community safety plan. That plan has been expanded and combined with housing and neighborhood development initiatives and the implementation of community problem-oriented policing. Therefore, the City considers community safety from the perspective of the livability, stability, and economic viability of a neighborhood—not just the lack or presence of criminal activity. Initiatives in community safety include decreasing crime throughout Charlotte-Mecklenburg through enforcement and problem solving strategies; enhancing citizen safety through increased police visibility and engagement of citizens as active partners; developing recruitment strategies that attract a more diverse applicant base; partnering with other criminal justice agencies in enforcement and prevention efforts; and reducing loss of life and property damage from fires through fire code enforcement and rapid response to working fires.

- **Housing and Neighborhood Development.** *"Creating healthy and vibrant neighborhoods."* This is the City's comprehensive approach to meeting the economic development and quality of life issues in the neighborhoods and business districts. This includes efforts such as providing adequate code enforcement; developing strategies for affordable housing; and requiring neighborhoods and business districts to take an active role in problem identification and solution

development. Initiatives in housing and neighborhood development include improving the safety and appearance of neighborhoods; conducting a pilot program to connect neighborhoods to jobs and services along a business corridor; developing a "Comprehensive Affordable Housing Strategy;" improving the quality of life trends in Neighborhood Statistical Areas; increasing the supply of affordable housing; addressing deteriorating and blighted non-residential structures; and addressing foreclosures in target revitalization areas.

- **Environment.** *"Charlotte will become a national leader in environmental initiatives to preserve our natural resources while balancing growth with sound fiscal policy."* This initiative addresses safeguarding the environment, including protection of air and water quality, land preservation, and energy and resource conservation. As one of the fastest growing communities in the nation, protection of our environment is a priority that includes adopting best practices and leading by example by delivering public services in a manner based on sound environmental practices. Initiatives in environment include supporting environmental sustainability; leading efforts to improve regional air quality; protecting natural ecosystems and habitats; adopting sound environmental practices in City facilities and operations; and collaborating with local and regional partners to enhance environmental quality and sustainability.

- **Transportation.** *"Charlotte will be the premier city in the country for integrating land use and transportation choices."* This initiative addresses all issues related to transportation opportunities and challenges, including maximizing public transit; implementing and maintaining roads, adopting and implementing land-use policies to support growth and transit goals; and ensuring adequate pedestrian and bicycle connections. Initiatives in transportation include continuing implementation of the Centers, Corridors, and Wedges Growth Framework; collaborating on land use, transportation and air quality; prioritization, design, construction and maintenance of transportation facilities to promote transportation choices and meet land use objectives; communicating the Transportation Action Plan; and seeking financial resources to implement transportation programs and services.

- **Economic Development.** *"Charlotte will be the most prosperous and livable city for all citizens through quality economic development."* This initiative involves sustaining the prosperity and assuring the opportunity for participation by all residents. It involves a focus on keeping jobs and the tax base in Charlotte. Initiatives in economic development include promoting a healthy business climate by implementing a strong business expansion and retention effort; ensuring that small businesses have opportunities to participate in City procurement; enhancing workforce development; advancing business corridor revitalization; and promoting infill development/redevelopment in the Center City.

Major Initiatives

The City's capital policy and future capital plans are established in a five-year capital investment plan which matches the City's highest priority capital needs with a financing schedule. The 2011-2015 Capital Investment Plan (Plan) totals $2.58 billion and includes investments in neighborhoods, housing, storm water, roads, transit, water and sewer, the airport and government facilities. This is a ten percent decrease from the 2010-2014 capital plan. There are planned reductions in utilities, roads, and housing and neighborhood development, but is partially offset by increases in storm water, aviation, transit, and facilities investments.

- **General Government.** The General Government Plan totals $446.1 million, including $156.0 million for housing and neighborhoods; $94.7 million for transportation; $75.5 million for facility investments; $28.9 million for economic development; and $13.5 million for environmental services. General government projects are funded through a variety of sources including long-term financing, pay-as-you-go and capital reserves.

- **Water and sewer.** Charlotte-Mecklenburg Utilities' Plan is designed to address increased demand, environmental issues, and State and Federal regulations. This includes maintenance and expansion of the existing system of water and sewer mains and water and sewer treatment plants. The Plan totals $780.0 million and is fully financed from water and sewer fees. Major projects include $187.0 million for a wastewater treatment plant; $105.0 million for water and sanitary sewer line rehabilitation and replacement; $48.6 million for the northeast water transmission main; and $24.2 million for lift station replacement.

- **Airport.** The Airport Plan includes maintenance and expansions to the airfield, terminal, cargo and parking areas. The Plan totals $800.0 million and is fully funded from airline, cargo, and general aviation revenues, federal grants and commercial leases. Major projects include $250.0 million for terminal lobby expansion; $91.3 million for a new hourly parking deck, $72.5 million for rental car facility relocation; $63.0 million for an in-line baggage system; and $46.0 million for airport entrance road connection.

- **Transit.** The Public Transit Plan includes maintenance and expansion of the transportation system including planning and construction of rapid transit. The Plan totals $314.5 million and is financed through federal and state capital grants and a ½ cent sales tax for transit. Major projects include $175.1 million for light rail extension; $61.8 million for bus and special transportation vehicle replacements; $18.9 million for preventative maintenance; and $12.5 million for the bus facility renovation/expansion.

- **Storm Water.** The Storm Water Plan funds repairs to private properties with flooding problems and improvements in the public right-of-way drainage system. The Plan totals $236.7 million and is fully financed through storm water fees. Major projects include $69.0 million for flood control projects in neighborhood water basins; $58.0 million for storm water repairs; $23.5 million for minor storm water projects; and $15.9 million for pollution control projects.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Charlotte for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2009. This was the twenty-fifth consecutive year that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. This report must satisfy both GAAP and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

The cooperation of each City key business unit is appreciated as we continue to provide a high level of public services at a reasonable tax rate. We appreciate the professional competency and dedication of the Finance Department staff throughout the year, especially during the preparation of this CAFR. Credit is given to the Mayor and City Council for their leadership and support in maintaining the highest standards of professionalism in the fiscal management of the City.

Respectfully submitted,

W. Curtis Walton, Jr.
City Manager

Greg C. Gaskins
Director of Finance

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Charlotte North Carolina

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2009

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

President

Executive Director

City of Charlotte
Organizational Chart

Mayor
City Council

City Clerk*
Stephanie Kelly

City Attorney*
DeWitt F. McCarley

City Manager*
Curt Walton

Key Businesses

Aviation
Jerry Orr

Charlotte Area Transit System
Carolyn Flowers

Charlotte-Mecklenburg Planning Commission
Debra Campbell

Charlotte-Mecklenburg Police
Rodney Monroe

Charlotte-Mecklenburg Utilities
Barry Gullet

Engineering & Property Management
Jeb Blackwell

Fire
Jon Hannan

Neighborhood & Business Services
Patrick Mumford

Solid Waste Services
Victoria Johnson

Leadership Team

Deputy City Manager
Ron Kimble

Assistant City Managers—3
Julie Burch
Eric Campbell
Jim Schumacher

Executive Assistant to the City Manager
Saskia Thompson

Intergovernmental Relations Manager
Dana Fenton

Chief Information Officer
Jeff Stovall

CharMeck 311
Kimberly Laney

Community Relations
Willie Ratchford

Corporate Communications
Kim McMillan

Internal Audit
Greg McDowell

Support Businesses

Budget & Evaluation
Ruffin Hall

Business Support Services
Chuck Robinson

Finance
Greg Gaskins

Human Resources
Tim Mayes

CHARLOTTE.

* Council Appointed

CHARLOTTE℠

Financial Section

CHERRY BEKAERT & HOLLAND
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

INDEPENDENT AUDITORS' REPORT

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

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, 2010, which collectively comprise the City's basic financial statements as listed in the foregoing table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Charlotte Regional Visitors Authority (the "CRVA"). Those financial statements were audited by other auditors whose reports 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.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of the other auditors provide a reasonable basis for our opinions.

As discussed in note 1.d.8 to the financial statements, the beginning government-wide net asset balance for governmental activities was restated in order to reflect the implementation of Governmental Accounting Standards Board Statement No. 53 "Accounting and Financial Reporting for Derivatives Instruments". In addition management changed its method for recognizing income under the modified accrual basis of accounting from 60 to 90 days. Accordingly, fund balance for the general, debt service, capital projects, and public transit funds for June 30, 2009 have been restated to reflect this change in accounting method.

In our opinion, based on our audit and the report of 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, 2010, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 2010, 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Management's discussion and analysis as listed in the accompanying table of contents is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America and the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of the City. The introductory section, combining and individual fund statements and schedules and the statistical section, as well as the accompanying schedule of expenditures of federal and State awards as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations,* and the State Single Audit Implementation Act, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and schedules and the accompanying schedule of expenditures of federal and State awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied by us in the audit of basic financial statements and, accordingly, we express no opinion on them.

CHERRY, BEKAERT & HOLLAND, L.L.P.

Raleigh, North Carolina
October 31, 2010

MANAGEMENT'S DISCUSSION AND ANALYSIS

(Dollar Amounts in Millions)

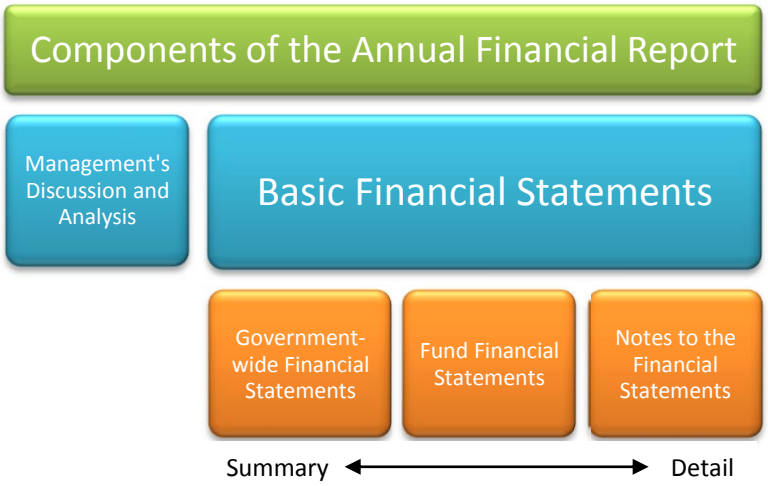
This section of the City of Charlotte's (City) annual financial report presents a narrative overview and analysis of the City's financial performance for the fiscal year ended June 30, 2010. Please read it in conjunction with the transmittal letter at the front of this report and the City's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by $8,473.8 (net assets). Of this amount, $1,025.7 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- The overall financial position of the City improved in 2010 as evidenced by an increase in total net assets of $244.9. This increase was from both governmental ($102.2) and business-type ($142.7) activities.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of $636.7, an increase of $25.6, including amounts for restatements, in comparison with the prior year. The majority of this increase resulted from the issuance of commercial paper and installment purchases that will be used to finance major capital items.
- Unreserved fund balance in the General fund was $100.7 at June 30, 2010. Of this amount, $100.3 is undesignated and represents a traditional fund balance reserve maintained for emergencies, liquidity and overall financial strength. This is approximately 19.6 percent of the budget for fiscal year 2011, exceeding the City Council's goal of 16 percent by the end of the fiscal year.
- The City maintained its AAA bond rating from all three major rating agencies.

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 29-31) 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 32-49) 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 to 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 50-111). A section is also included with combining statements that provides details about nonmajor 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 113-162) 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 assets* includes all of the City's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets 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 assets 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 Assets 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, a 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 predominately 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 assets and a statement of changes in fiduciary net assets. 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 assets. As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. For the City, assets exceeded liabilities by $8,473.8 at the close of the most recent fiscal year. A summary of the City's net assets at June 30, 2010 and 2009, as restated, is presented below. Information about the restatement is presented in Note 1.d.8 to the financial statements.

Net Assets

	Governmental Activities		Business-type Activities		Total Primary Government	
	2010	**2009**	**2010**	**2009**	**2010**	**2009**
Current and other assets	$ 921.0	$ 877.2	$ 1,544.4	$ 1,118.8	$ 2,465.4	$ 1,996.0
Capital assets	5,785.5	5,532.7	4,942.7	4,783.0	10,728.2	10,315.7
Total assets	**6,706.5**	**6,409.9**	**6,487.1**	**5,901.8**	**13,193.6**	**12,311.7**
Current and other liabilities	121.6	118.8	144.4	142.9	266.0	261.7
Noncurrent liabilities	1,489.7	1,298.0	2,964.1	2,523.0	4,453.8	3,821.0
Total liabilities	**1,611.3**	**1,416.8**	**3,108.5**	**2,665.9**	**4,719.8**	**4,082.7**
Net assets:						
Invested in capital assets, net of related debt	4,443.3	4,371.0	2,522.7	2,393.7	6,966.0	6,764.7
Restricted	237.1	238.0	245.0	199.5	482.1	437.5
Unrestricted	414.8	384.1	610.9	642.7	1,025.7	1,026.8
Total net assets	**$ 5,095.2**	**$ 4,993.1**	**$ 3,378.6**	**$ 3,235.9**	**$ 8,473.8**	**$ 8,229.0**

By far the largest portion of the City's net assets (82 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 citizens; consequently, these assets are not available for future spending.

An additional portion of the City's net assets (6 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets ($1,025.7) 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 assets, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

Government-wide net assets increased by $244.8 during the current fiscal year from increases in both governmental and business-type activities. The increases resulted in part from contributed assets including the addition of streets due to annexation and contributions of infrastructure assets from developers.

Changes in net assets. The following table presents the City's changes in net assets for the fiscal years ended June 30, 2010 and 2009, as restated:

Change in Net Assets

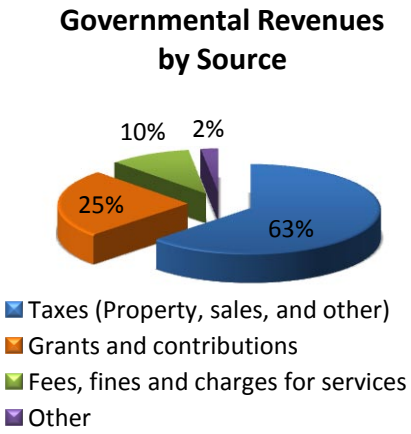
	Governmental Activities		Business-type Activities		Total Primary Government	
	2010	**2009**	**2010**	**2009**	**2010**	**2009**
Revenues						
Program revenues:						
Fees, fines and charges for services	$ 88.4	$ 89.3	$ 506.9	$ 491.7	$ 595.3	$ 581.0
Operating grants and contributions	65.0	63.7	12.8	14.4	77.8	78.1
Capital grants and contributions	135.1	451.0	98.5	119.4	233.6	570.4
General revenues:						
Property taxes	356.9	345.7	-	-	356.9	345.7
Other taxes	185.9	187.8	57.8	59.5	243.7	247.3
Grants and contributions not restricted to specific programs	13.5	16.7	-	-	13.5	16.7
Other	18.9	24.3	17.5	33.2	36.4	57.5
Total revenues	**863.7**	**1,178.5**	**693.5**	**718.2**	**1,557.2**	**1,896.7**
Program expenses						
Public safety	318.6	301.9	-	-	318.6	301.9
Sanitation	55.7	49.8	-	-	55.7	49.8
General administration	38.2	48.8	-	-	38.2	48.8
Support services	21.1	23.7	-	-	21.1	23.7
Engineering and property management	29.2	33.0	-	-	29.2	33.0
Streets and highways	116.2	103.3	-	-	116.2	103.3
Culture and recreation	17.8	13.9	-	-	17.8	13.9
Community planning and development	81.7	74.1	-	-	81.7	74.1
Interest and other charges	64.6	45.6	-	-	64.6	45.6
Water	-	-	97.9	103.0	97.9	103.0
Sewer	-	-	157.5	160.7	157.5	160.7
Storm water	-	-	21.6	21.7	21.6	21.7
Airport	-	-	137.1	157.4	137.1	157.4
Public transit	-	-	155.2	155.6	155.2	155.6
Total expenses	**743.1**	**694.1**	**569.3**	**598.4**	**1,312.4**	**1,292.5**
Excess before transfers	120.6	484.4	124.2	119.8	244.8	604.2
Transfers	(18.5)	(18.4)	18.5	18.4	-	-
Increase in net assets	**102.1**	**466.0**	**142.7**	**138.2**	**244.8**	**604.2**
Net assets - beginning, as restated	4,993.1	4,527.1	3,235.9	3,097.7	8,229.0	7,624.8
Net assets - ending	$ 5,095.2	$ 4,993.1	$ 3,378.6	$ 3,235.9	$ 8,473.8	$ 8,229.0

Total government-wide revenues of $1,557.2 were derived primarily from grants and contributions (20 percent) and property and other taxes (39 percent). These sources of revenues decreased 27 percent from the prior year, primarily due to decreased donations of infrastructure through annexation.

The total expenses of all programs were $1,312.4. The expenses cover a range of services with the two largest being transportation (streets and highways, airport and public transit) for 31 percent and public safety (fire and police) for 24 percent. Transportation expenses decreased from the prior year due to payment of a swap termination fee by the Airport in the previous fiscal year.

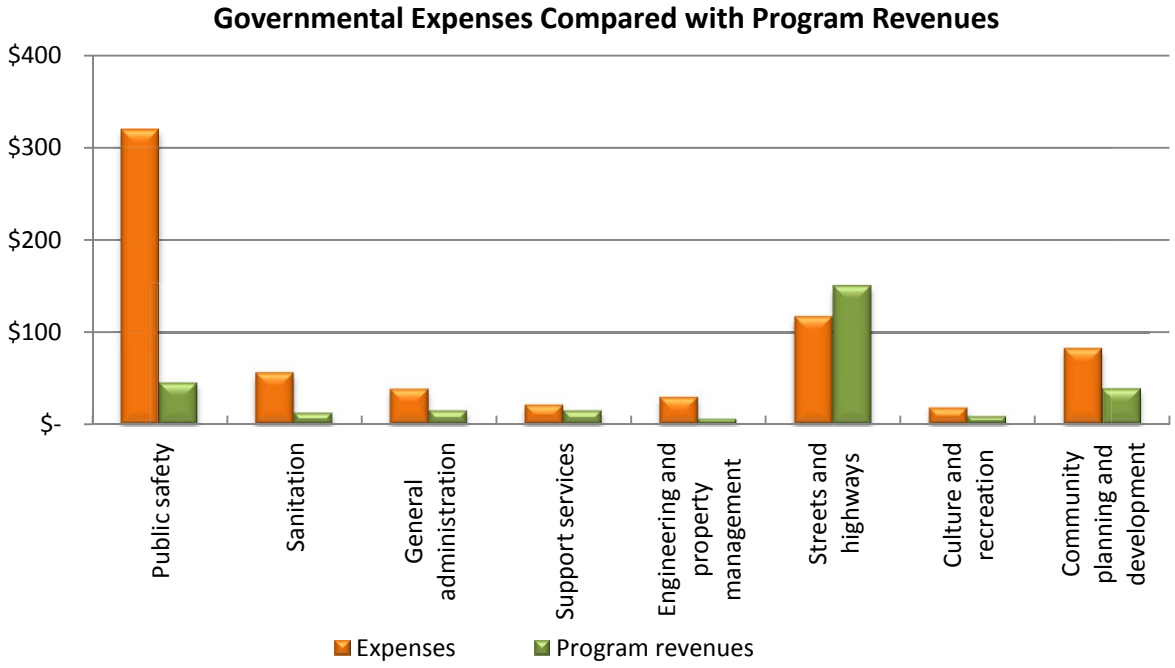
Governmental Activities

As shown in the chart, property, sales and other taxes (63 percent) and grants and contributions (25 percent) were the major sources of revenues for governmental activities.



Governmental expenses increased from $694.1 to $743.1 during this fiscal year. Expenses related to additional public safety positions and increased street resurfacing activities contributed to the increase. As in prior years, public safety continues to be the largest expense with 43 percent in both the current and the prior years.

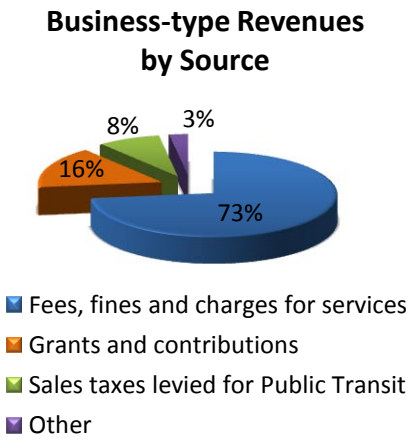
This chart highlights the net cost (total cost less fees generated by the activities and intergovernmental grants) of the City's governmental programs mainly public safety, streets and highways and community planning and development. The net cost shows the financial support provided by taxes and other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



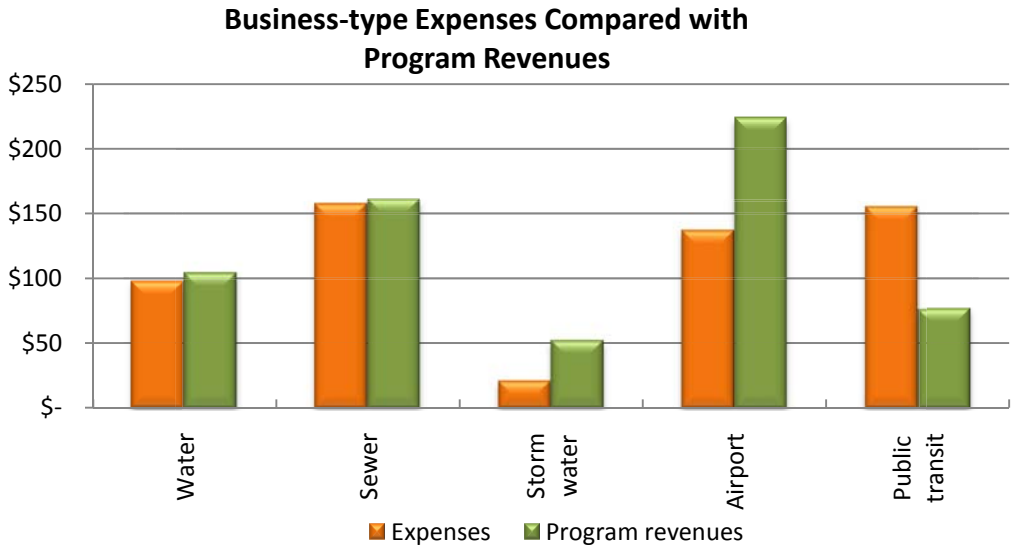
In addition to property and other taxes, the total cost of services of $743.1 was supported by $200.1 provided by other governments and organizations for specific programs and $88.4 provided by fees, fines and charges from those who directly benefited from the programs.

Business-type Activities

Revenues for the business-type activities were $693.5, a decrease of 2 percent from the prior year. This decrease is due in part to the continued economic downturn which resulted in a decrease in donated infrastructure assets due to slowed construction.



This chart 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.



Water and sewer expenses decreased $8.3 or 3 percent from the prior year due in part to completion in the prior year of two large system evaluation surveys. Airport expenses decreased $20.3 or 13 percent from the prior year due in part to a swap termination payment in the previous fiscal year.

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, unreserved 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, 2010, the governmental funds reported a combined fund balance of $636.7, an increase of $25.6, including amounts for restatements, or 4 percent from last year. This amount consists of the following:

(a) $195.6 designated for future debt service payments,
(b) $128.6 designated for capital projects,
(c) $122.8 designated for specific programs,
(d) $89.0 reserved primarily for encumbrances, debt service, and State Statutes, and
(e) $100.7 unreserved.

The general fund is the chief operating fund of the City. At the end of the current fiscal year, unreserved fund balance of the general fund was $100.7, while total fund balance reached $155.3. Undesignated fund balance is a sub-classification of unreserved fund balance after consideration for management's designations. At June 30, 2010, designations totaled $0.4. The remaining unreserved fund balance of $100.3 was undesignated and decreased $2.5 or 2 percent from the prior year. This flat growth is due to a slight increase in property tax revenues offset by an increase in public safety expenditures due to additional officers.

Other major governmental funds are the debt service and the capital projects funds. The debt service fund has a total fund balance of $211.3, all of which will be used for either the payment of debt service or is reserved by State Statutes. Debt service fund balance increased $6.9, including amounts from restatements, from the prior year due primarily to transfers from other funds to pay future debt service. The capital projects fund has a total fund balance of $128.6, all of which is designated for future capital projects. Capital project fund balance increased $19.3, including amounts from restatements, from the prior year due to a decrease in capital outlay relating to the completion of the NASCAR Hall of Fame and numerous cultural facilities.

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

Unrestricted net assets at the end of the year amounted to $153.9 in the Water and Sewer fund, $53.1 in the Storm Water fund, $253.2 in the Airport fund and $162.5 in the Public Transit fund. The change in net assets for the funds was $15.7, $34.3, $93.5 and $4.0, including amounts for restatements, respectively. Factors concerning the finances of these funds have already been addressed in the discussion of the business-type activities.

GENERAL FUND BUDGETARY HIGHLIGHTS

During the fiscal year, City Council approved several immaterial budget amendments. The most significant amendments related to funding for 75 additional police officers. Another 50 officers were funded by an American Recovery and Reinvestment Act grant. Amendments were made for the associated startup equipment and supplies for the 125 total officers.

Revenues were $8.8 above the final budgeted amount. Property tax revenues were $7.8 greater than expected due to a slightly higher property tax base than expected combined with a decrease in the amount of rebate requests from taxpayers and higher than anticipated revenues from interest and penalties. In addition, utility franchise tax revenues were $2.1 more than expected due to an abnormally warm summer. Offsetting these increases is a $1.7 decrease in business privilege licenses due to the continued downturn in the economy.

In light of the worsening economy, the city instituted lower budget requirements that reduced expenditures to ensure they were in line with anticipated revenues. Budget reductions of $6.5 made in mid-year 2009 were carried over to the 2010 budget and 120.75 positions remained frozen. Efforts were made to ensure that citizens did not experience notable reductions in services. Actual expenditures were $6.2 below final budget amounts for fiscal year 2010.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets. At June 30, 2010, the City had $10,728.2 (net of accumulated depreciation) in capital assets consisting primarily of land, buildings, roads, and water and sewer lines. This amount represents a net increase of $412.5, or 4 percent over last year. The following is a summary of capital assets at June 30, 2010 and 2009:

Capital Assets
(Net of Depreciation)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2010	2009	2010	2009	2010	2009
Land	$ 2,981.6	$ 2,894.7	$ 344.1	$ 338.1	$ 3,325.7	$ 3,232.8
Buildings	800.0	492.9	336.5	306.5	1,136.5	799.4
Improvements other than buildings	-	-	3,140.6	3,056.5	3,140.6	3,056.5
Infrastructure	1,639.0	1,625.3	-	-	1,639.0	1,625.3
Intantibles	1.3	1.8	2.8	4.3	4.1	6.1
Machinery and equipment	46.3	42.4	126.0	132.1	172.3	174.5
Construction in progress	317.3	475.6	992.7	945.5	1,310.0	1,421.1
Totals	$ 5,785.5	$ 5,532.7	$ 4,942.7	$ 4,783.0	$ 10,728.2	$ 10,315.7

This year's major capital asset additions included:

- NASCAR Hall of Fame and cultural arts facilities - $322.8
- Streets in annexed areas - $147.5
- Wastewater treatment and sewage collection - $39.0
- Runway construction - $111.3

At June 30, 2010, authorized and unexpended capital projects totaled $1,649.4 as follows: governmental ($468.5), water and sewer ($820.7), airport ($165.1), storm water ($97.6), and public transit ($97.5). 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, 2010, the City had $4,298.0 of debt outstanding in bonds, installment purchases, commercial paper notes, derivative instrument liability, and other financing agreements. This was an increase of $505.2 or 13 percent over last year. Details by type of debt are presented in the following table:

Outstanding Debt

	Governmental Activities		Business-type Activities		Total Primary Government	
	2010	2009	2010	2009	2010	2009
General obligation bonds (backed by the City's taxing authority)	$ 483.8	$ 377.2	$ 290.5	$ 313.6	$ 774.3	$ 690.8
Revenue bonds (backed by specific fee revenues)	-	-	2,360.6	1,919.6	2,360.6	1,919.6
Special obligation bonds	11.0	11.0	-	-	11.0	11.0
Installment purchases	759.1	522.4	187.5	203.0	946.6	725.4
Commercial paper notes	46.5	293.8	-	55.6	46.5	349.4
Derivative instrument liability	32.5	12.2	65.0	54.5	97.5	66.7
Other financial agreements	54.4	21.9	7.1	8.0	61.5	29.9
Totals	$ 1,387.3	$ 1,238.5	$ 2,910.7	$ 2,554.3	$ 4,298.0	$ 3,792.8

New debt for 2010 resulted from issuing water sewer revenue bonds ($460.1) to repay commercial paper notes and for water sewer infrastructure improvements; issuing installment purchases to repay commercial paper notes for NASCAR Hall of Fame and cultural arts facilities ($239.1), for equipment ($21.9), and for public facilities improvements ($13.7); and issuing general obligation bonds ($20.0) for housing.

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 cities in the nation that maintains the highest financial category rating from these major 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 $4,298.0 arises from both governmental and business-type activities. The largest portion of debt is revenue bonds (55 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, 2010, was $4.2 billion. The City had $352.2 in authorized but unissued debt for streets, housing, 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 2010, 12,238 building permits were issued with a value of over $1.4 billion compared to 12,745 permits for 2009.
- The occupancy rate in the uptown area has decreased to 92 percent for 2010, compared to 94 percent for 2009.
- Retail sales during 2009 were $12.1 billion compared to $13.6 billion for 2008.
- The June 2010 unemployment rate was 9.5 percent compared to 10.2 percent for the state and 9.6 percent for the nation.
- Assessed property valuations are expected to exceed $77.5 billion for 2010 compared to $76.6 billion for 2009, or an increase of 1 percent, and is due to growth.

The fiscal 2011 budget reflects the transition from a period of low- to no- growth to a slow economic recovery and maintains the current property tax rate of 45.86 cents per $100 valuation.

The General fund budget increased to $511.6. Property tax revenues including current and prior year collections, interest, and other penalties and rebates are expected to increase 1.5 percent over 2010. Utilities franchise tax and intragovernmental revenues are expected to increase 3.1 and 16.4 percent respectively. The most significant expenditure increases are $6.1 to fund increases in the pay plan which is offset by an $1.8 decrease in the City's contribution to the employees' 401k plan, $1.7 to fund staff at the new Airport Fire Station, and $1.6 to fund increased operating costs for Police.

The following are highlights for the 2011 budgets for the business-type activities:

- Sewer volume rates and administrative fixed charges on both water and sewer will increase in FY11. The average residential water and sewer bill will increase $3.68 per month. Operating expenses will increase 4.5 percent.
- Storm water revenues are expected to increase 4.3 percent due to an impervious surface fee rate increase of 7 percent.

- Airport revenues and operating expenses are expected to decrease 8.9 percent. This decrease is due primarily to reduced debt service requirements.
- Public transit fare revenue and service reimbursements are expected to increase 2.4 percent. This increase is attributable in part to a rate increase. However, sales tax is expected to decrease 5.3 percent. Operating expenditures are expected to decrease $12.6 due in part to decreased fuel costs and transferring $2.8 in operating expenses to the capital program and grants.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide citizens, 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.

CHARLOTTE

CITY OF CHARLOTTE, NORTH CAROLINA
STATEMENT OF NET ASSETS
JUNE 30, 2010
(In Thousands)

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Charlotte Regional Visitors Authority
ASSETS				
Cash and cash equivalents	$ 646,486	$ 818,114	$ 1,464,600	$ 9,479
Receivables, net	18,619	68,644	87,263	2,105
Due from other governmental agencies	71,258	53,625	124,883	516
Due from component unit	4,078	-	4,078	-
Due from primary government	-	-	-	1,954
Internal balances	11,862	(11,862)	-	-
Inventories	930	7,191	8,121	358
Other	221	-	221	1,034
Restricted assets:				
Temporarily restricted-				
Cash and cash equivalents	1,440	65,163	66,603	-
Investments	36,293	421,278	457,571	-
Permanently restricted-				
Cash and cash equivalents	3,111	-	3,111	-
Receivables	10	-	10	-
Notes receivable	95,054	-	95,054	-
Deferred charges	7,569	29,357	36,926	-
Deferred outflow of resources	17,136	65,018	82,154	-
Other postemployment benefit assets (Note 5.f.)	-	27,853	27,853	-
Pension assets (Note 5.b.)	6,927	-	6,927	-
Capital assets (Note 4.f.)				
Land	2,981,608	344,102	3,325,710	-
Buildings, improvements, infrastructure, intangibles, and machinery and equipment, net	2,486,530	3,605,976	6,092,506	-
Construction in progress	317,348	992,643	1,309,991	-
Total assets	6,706,480	6,487,102	13,193,582	15,446
LIABILITIES				
Accounts payable/claims payable	95,073	41,911	136,984	5,215
Deposits and retainage payable	8,243	9,261	17,504	4,495
Accrued interest payable	9,850	24,125	33,975	-
Due to component unit	1,814	140	1,954	-
Due to primary government	-	-	-	4,078
Unearned revenues	4,727	727	5,454	175
Liabilities payable from restricted assets	1,876	68,259	70,135	-
Noncurrent liabilities (Note 4.j.):				
Due within one year	92,853	81,312	174,165	-
Due after one year	1,396,866	2,882,758	4,279,624	1,932
Total liabilities	1,611,302	3,108,493	4,719,795	15,895
NET ASSETS				
Invested in capital assets, net of related debt	4,443,273	2,522,680	6,965,953	-
Restricted for:				
Debt service	10,970	65,398	76,368	-
Capital projects	77,725	-	77,725	-
Perpetual care - Nonexpendable	3,121	-	3,121	-
Firefighters' retirement benefits	6,927	-	6,927	-
Public safety	16,295	-	16,295	-
Streets and highways	15,755	-	15,755	-
Culture and recreation	101,884	-	101,884	125
Community planning and development	4,470	-	4,470	-
Passenger facility charges	-	161,022	161,022	-
Airport working capital	-	18,613	18,613	-
Unrestricted	414,758	610,896	1,025,654	(574)
Total net assets	$ 5,095,178	$ 3,378,609	$ 8,473,787	$ (449)

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

CITY OF CHARLOTTE, NORTH CAROLINA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2010
(In Thousands)

		Program Revenues		
ACTIVITIES	Expenses	Fees, Fines and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental-				
Public safety	$ 318,576	$ 23,719	$ 16,946	$ 3,842
Sanitation	55,721	11,895	482	-
General administration	38,188	14,853	-	-
Support services	21,066	14,906	25	-
Engineering and property management	29,232	5,342	272	-
Streets and highways	116,141	5,576	19,816	123,709
Culture and recreation	17,834	654	2,151	5,843
Community planning and development	81,691	11,440	25,359	1,686
Interest and other charges	64,630	-	-	-
Total governmental	743,079	88,385	65,051	135,080
Business-type-				
Water	97,894	98,954	-	5,230
Sewer	157,503	151,653	-	9,378
Storm water	21,565	45,782	-	6,881
Airport	137,144	188,935	-	34,760
Public transit	155,226	21,548	12,803	42,255
Total business-type	569,332	506,872	12,803	98,504
Total primary government	$ 1,312,411	$ 595,257	$ 77,854	$ 233,584
Component Unit:				
Charlotte Regional Visitors Authority	$ 48,698	$ 22,401	$ -	$ -

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 assets
Net assets - beginning, as previously reported
Prior period adjustment (Note 1.d.8)
Net assets - ending

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

Net (Expense) Revenue and Changes in Net Assets			
Primary Government			Component Unit
Governmental Activities	Business-type Activities	Total	Charlotte Regional Visitors Authority
$ (274,069)	$ -	$ (274,069)	$ -
(43,344)	-	(43,344)	-
(23,335)	-	(23,335)	-
(6,135)	-	(6,135)	-
(23,618)	-	(23,618)	-
32,960	-	32,960	-
(9,186)	-	(9,186)	-
(43,206)	-	(43,206)	-
(64,630)	-	(64,630)	-
(454,563)	-	(454,563)	-
-	6,290	6,290	-
-	3,528	3,528	-
-	31,098	31,098	-
-	86,551	86,551	-
-	(78,620)	(78,620)	-
-	48,847	48,847	-
(454,563)	48,847	(405,716)	-
-	-	-	(26,297)
356,913	-	356,913	-
72,715	-	72,715	
-	57,870	57,870	-
36,911	-	36,911	-
25,999	-	25,999	-
19,598	-	19,598	-
16,250	-	16,250	-
14,388	-	14,388	-
-	-	-	25,495
13,508	-	13,508	-
7,212	13,181	20,393	99
11,683	4,358	16,041	160
(18,465)	18,465	-	-
556,712	93,874	650,586	25,754
102,149	142,721	244,870	(543)
4,996,739	3,231,715	8,228,454	94
(3,710)	4,173	463	-
$ 5,095,178	$ 3,378,609	$ 8,473,787	$ (449)

CITY OF CHARLOTTE, NORTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2010
(In Thousands)

	General	Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	$149,506	$206,459	$102,042	$ 134,599	$ 592,606
Receivables, net:					
Property taxes	7,278	417	1,012	101	8,808
Accounts	2,694	-	4,420	44	7,158
Other	-	-	-	306	306
Total receivables	9,972	417	5,432	451	16,272
Due from other governmental agencies	33,031	4,768	13,149	20,310	71,258
Due from other funds	3,151	-	-	-	3,151
Due from component unit	-	3,780	298	-	4,078
Inventories	930	-	-	-	930
Restricted assets:					
Cash and cash equivalents	-	3	1,437	-	1,440
Investments	-	116	36,177	-	36,293
Total restricted assets	-	119	37,614	-	37,733
Notes receivable	19	-	43,440	51,595	95,054
Total assets	$196,609	$215,543	$201,975	$ 206,955	$ 821,082
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	$ 27,761	$ 30	$ 16,416	$ 4,012	$ 48,219
Deposits and retainage payable	2,247	-	5,293	703	8,243
Due to other funds	639	-	-	3,151	3,790
Due to component unit	-	-	513	1,289	1,802
Deferred revenues	10,710	4,198	49,303	56,275	120,486
Liabilities payable from restricted assets	-	-	1,876	-	1,876
Total liabilities	41,357	4,228	73,401	65,430	184,416
Fund balances:					
Reserved for-					
State statute	35,909	4,768	-	-	40,677
Special obligation debt service	-	10,970	-	-	10,970
Encumbrances	17,673	-	-	12,850	30,523
Inventories	930	-	-	-	930
Loans	-	-	-	2,721	2,721
Perpetual care	-	-	-	3,121	3,121
Unreserved, reported in-					
General fund	100,740	-	-	-	100,740
Debt service fund	-	195,577	-	-	195,577
Capital projects fund	-	-	128,574	-	128,574
Special revenue funds	-	-	-	122,833	122,833
Total fund balances	155,252	211,315	128,574	141,525	636,666
Total liabilities and fund balances	$196,609	$215,543	$201,975	$ 206,955	$ 821,082

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 ASSETS
JUNE 30, 2010
(In Thousands)

Total fund balances for governmental funds	$	636,666
Total net assets reported for governmental activities in the statement of net assets is different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		5,785,473
Pension assets resulting from contributions in excess of the annual required contributions are not financial resources and therefore are not reported in the funds.		6,927
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.		142,247
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 assets.		18,452
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. (Note 2.a.)		(1,494,587)
Total net assets of governmental activities	$	5,095,178

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

CITY OF CHARLOTTE, NORTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2010
(In Thousands)

	General	Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
REVENUES:					
Property taxes	$292,099	$ 52,837	$ 10,825	$ 3,518	$ 359,279
Other taxes	53,931	10,272	18,465	44,814	127,482
Intergovernmental	64,397	1,365	9,944	61,941	137,647
Licenses, fees and fines	47,075	67	12,289	899	60,330
Investment earnings	2,157	4,098	1,300	3,033	10,588
Private contributions	-	1,811	5,787	-	7,598
Administrative charges	25,446	-	-	-	25,446
Charges for current services	7,717	-	-	-	7,717
Miscellaneous	3,203	320	538	4,135	8,196
Total revenues	496,025	70,770	59,148	118,340	744,283
EXPENDITURES:					
Current-					
Public safety	290,800	-	-	14,727	305,527
Sanitation	46,200	-	-	-	46,200
General administration	35,579	-	-	1,716	37,295
Support services	18,523	-	-	-	18,523
Engineering and property management	21,563	-	-	245	21,808
Streets and highways	30,404	-	-	27,928	58,332
Culture and recreation	-	-	-	17,798	17,798
Community planning and development	26,724	-	-	27,657	54,381
Debt service-					
Principal	-	68,766	-	-	68,766
Interest and other charges	-	70,900	-	-	70,900
Capital outlay	-	-	252,408	-	252,408
Total expenditures	469,793	139,666	252,408	90,071	951,938
Excess (deficiency) of revenues over (under) expenditures	26,232	(68,896)	(193,260)	28,269	(207,655)
OTHER FINANCING SOURCES (USES):					
Sales of capital assets	1,029	-	1,656	475	3,160
General obligation bonds issued	-	-	20,000	-	20,000
Commercial paper issued	-	195	87,997	-	88,192
Installment purchases issued	-	1,130	87,465	-	88,595
Refunding debt issued	-	393,509	-	-	393,509
Premium on debt issuance	-	25,092	10,753	-	35,845
Private loan	-	-	32,558	-	32,558
Payment to refunded bond escrow agent	-	(425,542)	-	-	(425,542)
Transfers in	3,671	80,639	1,158	11,250	96,718
Transfers out	(26,764)	(204)	(30,054)	(58,161)	(115,183)
Total other financing sources (uses)	(22,064)	74,819	211,533	(46,436)	217,852
Net change in fund balances	4,168	5,923	18,273	(18,167)	10,197
Fund balances - beginning, as previously reported	137,762	204,361	109,257	159,692	611,072
Prior period adjustment (Note 1.d.8)	13,322	1,031	1,044	-	15,397
Fund balances - ending	$155,252	$211,315	$128,574	$ 141,525	$ 636,666

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, 2010
(In Thousands)

Net change in fund balances - total governmental funds	$ 10,197
The change in net assets reported for governmental activities in the statement of activities is different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period. (Note 2.b.)	133,303
The net effect of various miscellaneous transactions involving capital assets (i.e., sales and donations) is to increase net assets. (Note 2.b.)	119,492
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	4,106
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 assets 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.)	(164,001)
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.)	(2,852)
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.	1,904
Change in net assets of governmental activities	$ 102,149

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

CITY OF CHARLOTTE, NORTH CAROLINA
STATEMENT OF BUDGETARY COMPARISON
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2010
(In Thousands)

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	(Budgetary Basis)	(Negative)
Resources (inflows):				
Property tax	$ 284,348	$ 284,348	$ 292,099	$ 7,751
Sales tax	57,500	50,100	50,836	736
Utilities franchise tax	34,822	34,822	36,911	2,089
Police services	14,671	14,671	14,797	126
Tax reimbursements	3,786	1,786	1,603	(183)
Solid waste fee	12,128	12,128	11,964	(164)
Business privilege licenses	17,500	17,500	15,756	(1,744)
Licenses and permits	14,482	14,482	14,800	318
Fines, forfeits and penalties	3,029	3,029	2,547	(482)
Interlocal grants and agreements	9,870	10,083	8,736	(1,347)
Federal and state shared revenues	3,103	4,121	3,813	(308)
General government	5,039	4,584	4,635	51
Public safety	3,334	3,789	4,462	673
Cemeteries	503	503	537	34
Use of money and property	2,104	2,728	2,486	(242)
Sale of salvage and land	529	529	1,029	500
Other	1,039	1,063	1,734	671
Occupancy taxes	3,114	3,114	2,973	(141)
Intragovernmental	21,090	24,704	25,336	632
Transfers from other funds	2,292	3,866	3,671	(195)
Resources available for appropriation	494,283	491,950	500,725	$ 8,775
Fund balance appropriated	13,616	25,819	10,807	
Total amounts available for appropriation	$ 507,899	$ 517,769	$ 511,532	
Charges to appropriations (outflows):				
Police	$ 186,760	$ 194,189	$ 194,189	$ -
Fire	95,985	98,345	98,345	-
Solid waste	48,517	48,003	46,319	1,684
Transportation	23,035	23,278	22,614	664
Engineering and property management	21,395	20,078	18,370	1,708
Neighborhood development	11,867	11,956	11,351	605
Planning	5,344	5,573	5,187	386
Mayor and council	1,219	1,376	1,376	-
City attorney	1,744	2,155	2,045	110
City clerk	550	550	512	38
City manager	15,459	15,688	15,494	194
Human resources	4,168	4,168	4,087	81
Finance	9,780	9,780	9,489	291
Business support services	20,253	23,494	23,361	133
Budget and evaluation	1,486	1,489	1,397	92
Non-departmentals	60,337	57,647	57,396	251
Total charges to appropriations	$ 507,899	$ 517,769	$ 511,532	$ 6,237

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, 2010
(In Thousands)

Sources (inflows) of resources:	
Actual amounts (budgetary basis) "available for appropriation" from the statement of budgetary comparison	$511,532
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.	(10,807)
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes.	(3,671)
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.	(1,029)
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	$496,025
Uses (outflows) of resources:	
Actual amounts (budgetary basis) "total charges to appropriations" from the statement of budgetary comparison	$511,532
Differences - budget to GAAP:	
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.	(14,975)
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes.	(26,764)
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	$469,793

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

CITY OF CHARLOTTE, NORTH CAROLINA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2010
(In Thousands)

	Business-type Activities -		
	Water and Sewer	Storm Water	Airport
ASSETS			
Current assets:			
Cash and cash equivalents	$ 181,193	$ 51,209	$ 462,960
Receivables, net-			
Accounts	37,758	6,018	21,063
Other	812	168	1,480
Total receivables	38,570	6,186	22,543
Due from other governmental agencies	1,200	2,461	4,520
Due from other funds	-	-	-
Prepaid insurance	-	-	-
Inventories	1,428	-	-
Restricted assets-			
Cash and cash equivalents	16,959	1,691	46,506
Investments	217,532	-	203,746
Total restricted assets	234,491	1,691	250,252
Total current assets	456,882	61,547	740,275
Noncurrent assets:			
Deferred charges	12,346	974	13,927
Deferred outflow of resources	65,018	-	-
Other postemployment benefit assets	17,157	1,446	6,811
Capital assets-			
Land	38,894	-	255,206
Buildings	10,801	-	600,532
Improvements other than buildings:			
Water and sewer systems	3,294,638	-	-
Storm water systems	-	176,397	-
Runways	-	-	332,951
Transit corridors	-	-	-
Other	-	-	79,909
Total improvements other than buildings	3,294,638	176,397	412,860
Intangibles	11,659	3,359	-
Machinery and equipment	26,198	33	19,896
Construction in progress	498,805	238,306	113,251
Total capital assets	3,880,995	418,095	1,401,745
Less accumulated depreciation	926,564	34,692	460,104
Total capital assets, net	2,954,431	383,403	941,641
Total noncurrent assets	3,048,952	385,823	962,379
Total assets	3,505,834	447,370	1,702,654

Enterprise Funds		Governmental Activities -
Public Transit	Total	Internal Service Funds
$ 122,752	$ 818,114	$ 56,991
932	65,771	-
413	2,873	574
1,345	68,644	574
45,444	53,625	-
1	1	638
-	-	209
5,763	7,191	-
7	65,163	-
-	421,278	-
7	486,441	-
175,312	1,434,016	58,412
2,110	29,357	-
-	65,018	-
2,439	27,853	-
50,002	344,102	-
85,242	696,575	-
-	3,294,638	-
-	176,397	-
-	332,951	-
330,740	330,740	-
23,703	103,612	-
354,443	4,238,338	-
4,880	19,898	-
182,228	228,355	159
142,281	992,643	-
819,076	6,519,911	159
155,830	1,577,190	146
663,246	4,942,721	13
667,795	5,064,949	13
843,107	6,498,965	58,425

Continued on next page

CITY OF CHARLOTTE, NORTH CAROLINA
STATEMENT OF NET ASSETS-(Continued)
PROPRIETARY FUNDS
JUNE 30, 2010
(In Thousands)

	Business-type Activities -		
	Water and Sewer	Storm Water	Airport
LIABILITIES			
Current liabilities:			
Accounts payable	$ 6,261	$ 2,647	$ 20,013
Claims payable	-	-	-
Deposits and retainage payable	3,433	3,839	1,730
Accrued interest payable	22,960	546	-
Due to component unit	-	-	140
Unearned revenue	-	-	-
Current maturities of long-term liabilities	67,642	4,504	727
Current liabilities payable from restricted assets-			
Accounts payable	18,919	-	4,190
Deposits and retainage payable	4,098	-	874
Accrued interest payable	10,013	-	14,026
Revenue bonds payable	-	-	15,933
Arbitrage	-	-	206
Total current liabilities payable from restricted assets	33,030	-	35,229
Total current liabilities	133,326	11,536	57,839
Noncurrent liabilities:			
General obligation bonds payable - net of deferred amount on refunding and unamortized premium	261,548	11,617	-
Revenue bonds payable - net of deferred amount on refunding and unamortized premium	1,520,179	117,900	712,926
Other financing agreements - net of unamortized premium	17,443	-	-
Derivative instrument liability	65,018	-	-
Refundable water and sewer construction deposits	6,131	-	-
Due to participants	-	-	-
Compensated absences payable	1,299	200	565
Arbitrage payable	499	-	-
Total noncurrent liabilities	1,872,117	129,717	713,491
Total liabilities	2,005,443	141,253	771,330
NET ASSETS			
Invested in capital assets, net of related debt	1,318,194	251,328	463,022
Restricted for:			
Debt service	28,261	1,691	35,446
Passenger facility charges	-	-	161,022
Working capital	-	-	18,613
Unrestricted	153,936	53,098	253,221
Total net assets	$1,500,391	$306,117	$ 931,324
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.			
Net assets 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
$ 12,990	$ 41,911	$ -
-	-	46,854
259	9,261	-
619	24,125	-
-	140	-
727	727	-
8,439	81,312	-
-	23,109	-
-	4,972	-
-	24,039	-
-	15,933	-
-	206	-
-	68,259	-
23,034	225,735	46,854
2	273,167	-
-	2,351,005	-
165,578	183,021	-
-	65,018	-
-	6,131	-
-	-	4,832
1,853	3,917	150
-	499	-
167,433	2,882,758	4,982
190,467	3,108,493	51,836
490,136	2,522,680	13
-	65,398	-
-	161,022	-
-	18,613	-
162,504	622,759	6,576
$ 652,640	3,390,472	$ 6,589
	(11,863)	
	$3,378,609	

CITY OF CHARLOTTE, NORTH CAROLINA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2010
(In Thousands)

	Business-type Activities -		
	Water and Sewer	Storm Water	Airport
OPERATING REVENUES:			
Charges for services	$ 240,399	$ 45,782	$ 112,531
Capacity fees	7,395	-	-
Miscellaneous	2,813	-	21,876
Total operating revenues	250,607	45,782	134,407
OPERATING EXPENSES:			
Administration	29,060	1,663	11,320
Operations and maintenance	69,657	10,221	40,320
Claims and insurance premiums	-	-	-
Other	1,272	-	11,915
Depreciation	83,014	3,344	32,311
Total operating expenses	183,003	15,228	95,866
Operating income (loss)	67,604	30,554	38,541
NONOPERATING REVENUES (EXPENSES):			
Sales tax	-	-	-
Grant contributions	-	-	-
Passenger facility charges	-	-	48,088
Contract facility charges	-	-	6,440
Investment earnings	3,723	828	6,867
Interest expense and other charges	(72,203)	(6,360)	(29,420)
Non-airline terminal revenue distribution	-	-	(11,373)
Miscellaneous	1,999	2,359	(432)
Total nonoperating revenues (expenses)	(66,481)	(3,173)	20,170
Income (loss) before contributions and transfers	1,123	27,381	58,711
CAPITAL CONTRIBUTIONS	14,608	6,881	34,760
TRANSFERS IN	-	-	-
Change in net assets	15,731	34,262	93,471
Total net assets - beginning, as previously reported	1,484,660	271,855	837,853
Prior period adjustment (Note 1.d.8)	-	-	-
Total net assets - ending	$ 1,500,391	$ 306,117	$ 931,324

Adjustments to reflect the consolidation of internal service fund activities related to enterprise funds.
Change in net assets of business-type activities

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

Enterprise Funds		Governmental Activities - Internal Service Funds
Public Transit	Total	
$ 21,548	$ 420,260	$ 96,436
-	7,395	-
-	24,689	-
21,548	452,344	96,436
9,063	51,106	7,198
96,415	216,613	-
-	-	88,770
-	13,187	-
38,587	157,256	2
144,065	438,162	95,970
(122,517)	14,182	466
57,870	57,870	-
12,803	12,803	-
-	48,088	-
-	6,440	-
1,763	13,181	865
(7,846)	(115,829)	-
-	(11,373)	-
(2,963)	963	-
61,627	12,143	865
(60,890)	26,325	1,331
42,255	98,504	-
18,465	18,465	-
(170)	143,294	1,331
648,637		5,258
4,173		-
$ 652,640		$ 6,589
	(573)	
	$ 142,721	

CITY OF CHARLOTTE, NORTH CAROLINA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2010
(In Thousands)

	Business-type Activities -		
	Water and Sewer	Storm Water	Airport
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers	$247,384	$ 45,312	$134,750
Receipts from participants	-	-	-
Payments to suppliers	(44,813)	(4,901)	(41,839)
Internal activity - (payments to) receipts from other funds	(23,684)	(1,790)	(8,412)
Receipts from trust	-	-	-
Payments to employees	(34,553)	(4,807)	(13,718)
Payments to airlines for non-airline terminal revenue distribution	-	-	(12,624)
Payments for claims	-	-	-
Payments for premiums	-	-	-
Other receipts (payments)	19,924	2,619	1,488
Net cash provided (used) by operating activities	164,258	36,433	59,645
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Operating grants	-	-	-
Sales tax	-	-	-
Transfers in	-	-	-
Net cash provided by noncapital financing activities	-	-	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Proceeds from capital debt	268,428	-	161,361
Proceeds from commercial paper	54,388	-	-
Water and sewer construction deposits	819	-	-
Passenger facility charges	-	-	47,586
Contract facility charges	-	-	5,933
Acquisition and construction of capital assets	(131,040)	(26,343)	(103,128)
Principal paid on capital debt	(59,247)	(4,506)	(49,755)
Interest and other charges paid on capital debt	(74,225)	(6,550)	(31,446)
Capital contributions	-	38	32,990
Net cash provided (used) by capital and related financing activities	59,123	(37,361)	63,541
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of investments	(405,906)	-	(313,538)
Proceeds from sale and maturities of investments	210,319	-	138,695
Interest received	4,055	955	8,667
Net cash provided (used) by investing activities	(191,532)	955	(166,176)
Net increase (decrease) in cash and cash equivalents	31,849	27	(42,990)
Cash and cash equivalents - beginning of year	166,303	52,873	552,456
Cash and cash equivalents - end of year	$198,152	$ 52,900	$509,466

Enterprise Funds		Governmental Activities -
Public Transit	Total	Internal Service Funds
$ 21,552	$ 448,998	$ -
-	-	32,145
(39,173)	(130,726)	(5,456)
(9,044)	(42,930)	58,451
-	-	16,339
(54,477)	(107,555)	(1,478)
-	(12,624)	-
-	-	(82,447)
-	-	(13,647)
531	24,562	-
(80,611)	179,725	3,907
12,803	12,803	-
54,839	54,839	-
18,465	18,465	-
86,107	86,107	-
-	429,789	-
-	54,388	-
-	819	-
-	47,586	-
-	5,933	-
(52,720)	(313,231)	-
(7,155)	(120,663)	-
(7,869)	(120,090)	-
28,234	61,262	-
(39,510)	45,793	-
-	(719,444)	-
-	349,014	-
2,306	15,983	1,322
2,306	(354,447)	1,322
(31,708)	(42,822)	5,229
154,467	926,099	51,762
$ 122,759	$ 883,277	$ 56,991

Continued on next page

CITY OF CHARLOTTE, NORTH CAROLINA
STATEMENT OF CASH FLOWS-(Continued)
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2010
(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)	$ 67,604	$ 30,554	$ 38,541
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities-			
Depreciation	83,014	3,344	32,311
Other receipts (payments)	19,924	2,619	1,488
Non-airline terminal revenue distribution	-	-	(12,624)
Change in assets and liabilities:			
(Increase) decrease in receivables	(3,287)	(470)	343
(Increase) decrease in due from other governmental agencies	-	-	44
(Increase) in due from other funds	-	-	-
(Increase) decrease in inventories	(3)	-	-
(Increase) in prepaid insurance	-	-	-
(Increase) decrease in other postemployment benefit assets	(3,915)	38	52
Increase in accounts payable	876	315	401
(Decrease) in claims payable	-	-	-
Increase in due to participants	-	-	-
Increase (decrease) in deposits and retainage payable	64	-	(890)
(Decrease) in due to component unit	-	-	(59)
Increase (decrease) in compensated absences payable	(19)	33	38
Total adjustments	96,654	5,879	21,104
Net cash provided (used) by operating activities	$164,258	$ 36,433	$ 59,645
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:			
Donated assets	$ 14,505	$ 4,781	$ -
Proceeds from refunding bonds	210,000	-	70,893
Payment to refunded bond escrow agent	(210,000)	-	(70,893)
Net noncash investing, capital and financing activities	$ 14,505	$ 4,781	$ -

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

Enterprise Funds		Governmental Activities - Internal Service Funds
Public Transit	Total	
$ (122,517)	$ 14,182	$ 466
38,587	157,256	2
531	24,562	-
-	(12,624)	-
6	(3,408)	(88)
(4)	40	-
(1)	(1)	(125)
966	963	-
-	-	(209)
281	(3,544)	-
1,456	3,048	-
-	-	(143)
-	-	4,002
(2)	(828)	-
-	(59)	-
86	138	2
41,906	165,543	3,441
$ (80,611)	$ 179,725	$ 3,907
$ -	$ 19,286	$ -
-	280,893	-
-	(280,893)	-
$ -	$ 19,286	$ -

CITY OF CHARLOTTE, NORTH CAROLINA
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET ASSETS
JUNE 30, 2010
(In Thousands)

	Firefighters' Retirement Pension Trust	Employee Benefit - Other Employee Benefit Trust
ASSETS		
Cash and cash equivalents	$ 5,403	$ 37,709
Receivables:		
Employer contributions	236	-
Member contributions	225	-
Interest and dividends	393	138
Total receivables	854	138
Investments:		
Equity securities - stocks	87,142	-
Fixed income securities - bonds	37,929	-
Mutual funds	164,889	-
Total investments	289,960	-
Capital assets, at cost, net of accumulated depreciation of $201	234	-
Total assets	296,451	37,847
LIABILITIES		
Accounts payable	766	-
NET ASSETS		
Held in trust for pension/other postemployment benefits	$ 295,685	$ 37,847

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

CITY OF CHARLOTTE, NORTH CAROLINA
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2010
(In Thousands)

	Firefighters' Retirement Pension Trust	Employee Benefit - Other Employee Benefit Trust
ADDITIONS:		
Contributions-		
Member	$ 7,758	$ 4,772
Employer	7,440	14,967
Other	-	398
Total contributions	15,198	20,137
Investment income -		
Net appreciation in fair value of investments	26,550	-
Interest	1,617	794
Dividends	1,896	-
	30,063	794
Investment expense	1,669	-
Net investment income	28,394	794
Total additions	43,592	20,931
DEDUCTIONS:		
Benefits	19,210	13,401
Refunds	200	-
Insurance premiums	-	2,292
Administration	583	722
Depreciation	18	-
Total deductions	20,011	16,415
Change in net assets	23,581	4,516
Net assets - beginning	272,104	33,331
Net assets - ending	$ 295,685	$ 37,847

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

CITY OF CHARLOTTE, NORTH CAROLINA
INDEX TO THE NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010

Note	Topic	Page
1.	*SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES*	
	Reporting Entity	52
	Basis of Presentation	53
	Measurement Focus and Basis of Accounting	55
	Assets, Liabilities and Net Assets/Fund Balances	
	Cash and Investments	56
	Receivables and Payables	57
	Inventories	57
	Capital Assets	57
	Compensated Absences	58
	Long-term Liabilities	58
	Net Assets/Fund Balances	59
	Restatement	60
2.	*RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS*	
	Explanation of certain differences between the governmental funds balance sheet and the government-wide statement of net assets……	61
	Explanation of certain differences between the governmental funds statement of revenues, expenditures and changes in fund balances and the government-wide statement of activities	61
3.	*STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY*	
	Budgetary Information	63
4.	*DETAILED DISCLOSURES ON ALL FUNDS*	
	Deposits	64
	Investments	65
	Receivables	68
	Property Taxes	68
	Restricted Assets	69
	Capital Assets	70
	Interfund Receivables, Payables and Transfers	71
	Payables	73
	Deferred Revenues	74
	Long-term Liabilities	75
	General Obligation Bonds	77
	Special Obligation Bonds	79

Note Topic Page

4. DETAILED DISCLOSURES ON ALL FUNDS-(Continued)

Revenue Bonds 80
Installment Purchases 83
Commercial Paper 85
Other Long-term Liabilities
Section 108 Loan Guarantee 86
Private Loan 86
Municipal Systems 87
Derivative Instruments 88
Refundings 91
Other Debt Information 92
Early Extinguishment 93
Subsequent Events 93

5. PENSION PLANS AND OTHER BENEFITS

Local Governmental Employees' Retirement System 93
Charlotte Firefighters' Retirement System 94
Law Enforcement Officers' Separation Allowance 96
Supplemental Retirement Income Plan for Law Enforcement Officers 99
Death Benefit Plan 99
Other Postemployment Benefits 99
Deferred Compensation Plan 103

6. OTHER INFORMATION

Airport Leasing Arrangements with Tenants 103
Passenger Facility Charges 104
Insurance
Employee Health and Life 104
Risk Management 105
Commitments and Contingencies 106
NASCAR Hall of Fame 109
Arena 109
US Airways 110

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Reporting Entity

The City of Charlotte (City) is a municipal corporation governed by an elected mayor and eleven-member council. The accompanying financial statements present the activities of 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 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.	Blended	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

The Charlotte Housing Authority (Housing Authority), which is excluded from the City's financial statements, is considered a related organization. The City Council appoints the Housing Authority's governing board; however, the City is not financially accountable for the Housing Authority.

The Charlotte Transit Center, Inc. is a joint venture resulting from an agreement between the City and Bank of America. The corporation was established to build and operate a public transportation terminal known as the Charlotte Transit Center (Center). The Board of Directors is comprised of two members appointed by the City and two members appointed by Bank of America. The City provided

the land and Bank of America constructed the building. The Center has two sections, transit and retail. The City funds all expenses related to the transit section and common areas which benefit transit riders and employees. Bank of America funds all expenses related to the retail area which is available for lease to tenants. The City does not have an equity interest but does have an ongoing financial responsibility because the Center's existence depends on continued funding by the City. The City's expenditures related to the transit section are reflected in the Public Transit Enterprise Fund. The financial statements of the Center, which has a December 31 year-end, may be obtained from the following address:

Charlotte Transit Center, Inc
c/o Lincoln Harris, LLC
200 North College Street, Suite 100
Charlotte, North Carolina 28202

b. Basis of Presentation

Government-wide Statements: The statement of net assets 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. Eliminations have been made to minimize the double counting of internal 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 nonexchange 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. Taxes and other items not properly included as program revenues 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. 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 funds are aggregated and reported as nonmajor 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. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

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

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

The City reports the following major enterprise funds:

Water and sewer. This fund accounts for the activities of Charlotte-Mecklenburg Utilities, 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 funds. 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 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 provision of other postemployment benefit payments to retirees and their beneficiaries.

c. Measurement Focus and Basis of Accounting

Government-wide, Proprietary, and Fiduciary Fund Financial Statements: The government-wide, proprietary fund, 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. 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 requirements have been satisfied.

Governmental Fund Financial Statements: Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Under this method, revenues are recognized when measurable and available. The City considers all revenues reported in the governmental funds to be available if the revenues are collected within ninety days after the end of the current fiscal period except reimbursement grants which are accrued based on expenditures. Primary sources of revenue susceptible to accrual include occupancy tax, sales tax, Alcoholic Beverage Commission profits and federal and state grants. Expenditures are recorded when a liability is incurred, except for principal and interest on general debt, claims and judgments, and compensated absences, which are recognized as expenditures when payment occurs. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of debt issues are reported as other financing sources.

The government-wide and proprietary funds financial statements follow Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989; Accounting Principles Board (APB) Opinions; and Accounting Research Bulletins, unless those pronouncements conflict with GASB pronouncements.

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 are both restricted and unrestricted net assets available to finance the program. It is the City's policy to first apply grant resources to such programs followed by general revenues.

d. Assets, Liabilities and Net Assets/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.

Investments, except for North Carolina Capital Management Trust (NCCMT) and Firefighters' Retirement System Fund, are reported at fair value as determined by quoted market prices. The securities of the NCCMT Cash Portfolio, a SEC registered money market mutual fund, are valued at fair value, which is the NCCMT's share price. The NCCMT Term Portfolio's securities are valued at fair value. 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. See Note 5.b., "Method Used to Value Investments," for an explanation of reporting the Firefighters' Retirement System's investments at fair value.

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) Inventories

Inventories are recorded as an expenditure/expense when consumed rather than when purchased. Inventories are valued at cost, which approximates market, using the first-in, first-out (FIFO) method.

(4) Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated fair value at the date of donation. 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 value to the assets or materially extend assets' lives are not capitalized.

Capital assets are assets with an initial, individual cost of more than $5, 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 - 40 years
Infrastructure	40 years
Improvements other than buildings	10 - 60 years
Intangible	5 - 10 years
Machinery and equipment	3 - 40 years

Net interest cost on debt issued to finance the construction of capital assets was capitalized during the construction period in the Water and Sewer, Storm Water, Airport and Public Transit Enterprise Funds in the amounts of $8,184, $209, $1,235 and $21, respectively, for the year ended June 30, 2010.

(5) 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 length of service. 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. However, twenty percent of outstanding sick leave, with a maximum of 43.5 days, is payable upon retirement or death.

Compensated absences payable includes accumulated unpaid vacation leave and sick leave. This liability is recorded in the government-wide and proprietary fund financial statements.

(6) Long-term Liabilities

In the government-wide financial statements 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 assets.

Bond premiums and discounts, as well as issuance costs, 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.

Long-term liabilities are reported net of the deferred amounts on refunding. The deferred amount on refunding is the difference between the reacquisition price and the net carrying amount of the old debt. This amount is amortized as a component of interest expense, using the straight-line basis, over the life of the old debt or new debt, whichever is shorter.

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 the 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 the 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 market value in the government-wide financial statements and proprietary fund financial statements using hedge accounting.

(7) Net Assets/Fund Balances

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

The governmental fund types classify fund balances as reserved and unreserved.

Reserved. This represents fund balance that is not available for appropriation or is legally segregated for a specific purpose as follows:

Reserved for State statute - fund balance that is not available for appropriation under State law. This is primarily comprised of accounts receivable which have not been offset by deferred revenues.

Reserved for debt service - fund balance that is legally restricted through financing agreements for future payment of debt service requirements.

Reserved for encumbrances - fund balance representing commitments outstanding related to purchase orders and unperformed contracts.

Reserved for inventories - fund balance representing the balance of inventories which is not an available expendable financial resource.

Reserved for loans - fund balance representing the balance of notes receivable which are not an available expendable financial resource.

Reserved for perpetual care - fund balance available to pay cemetery maintenance costs.

Unreserved.

Designated for subsequent years' expenditures – fund balance appropriated for the budget for the year ending June 30, 2011 and other tentative managerial and/or City Council plans for future use of financial resources. Unreserved fund balance is designated at June 30 in the following amounts:

General	$ 453
Debt Service	195,577
Capital Projects	128,574
Nonmajor	122,833
	$ 447,437

Undesignated – fund balance that is uncommitted and available for appropriation.

(8) Restatement

To properly record sales tax distributions in the appropriate year, beginning fund balances for the General, Debt Service, Capital Projects, and Public Transit Enterprise funds have been increased by $13,322, $1,031, $1,044, and $4,173 respectively. In addition, the government-wide financial statements net assets at the beginning of the year have been restated by $15,397 for governmental activities and $4,173 for business type activities.

Government-wide financial statement net assets at the beginning of the year have been restated by $19,107 for governmental activities in order to reflect the implementation of Governmental Accounting Standards Board Statement No. 53, Accounting and Financial Reporting for Derivative Instruments, in relation to the City's swaption as discussed in Note 4.j.7.

2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

The governmental fund balance sheet includes a reconciliation between *fund balance - total government funds* and *net assets - governmental activities* as reported in the government-wide statement of net assets. One element of that reconciliation explains that "Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds." The details of this $1,494,587 difference are as follows:

Bonds and installment purchases payable	$ 1,253,817
Net of deferred amounts on refunding, premiums and discounts	44,621
Commercial paper notes	46,462
Derivative instrument liability	32,557
Swaption borrowing payable	7,258
Compensated absences	38,295
Arbitrage	150
Section 108 loan guarantee	12,133
Private Loan	35,045
Law enforcement officers' separation allowance	10,915
Unfunded OPEB liability	3,484
Accrued interest payable	9,850
Net adjustment to reduce *fund balance - total governmental funds* to arrive at *net assets - governmental activities*	$ 1,494,587

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 assets 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 is allocated over their estimated useful lives and reported as depreciation expense." The details of this $133,303 difference are as follows:

Capital outlay	$ 226,924
Depreciation expense	(93,621)
Net adjustment to increase *net changes in fund balances - total governmental funds* to arrive at *changes in net assets of governmental activities*	$ 133,303

Another element of that reconciliation states "The net effect of various miscellaneous transactions involving capital assets (i.e., sales and donations) is to increase net assets." The details of this $119,492 difference are as follows:

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 assets differs from the change in fund balance by the cost of the capital assets sold.	$ (145)
Donations of capital assets increase net assets in the statement of activities, but do not appear in the governmental funds because they are not financial resources.	119,637
Net adjustment to increase *net changes in fund balances - total governmental funds* to arrive at *changes in net assets of governmental activities*	$ 119,492

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 assets. 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." The details of this ($164,001) difference are as follows:

Debt issued or incurred:	
Issuance of general obligation bonds	$ (20,000)
Issuance of installment purchase	(88,595)
Issuance of commercial paper notes	(88,192)
Private loan	(32,558)
Plus premium on debt issuance	(35,845)
Less issuance cost	3,293
Derivative instrument	(3,257)
Swaption borrowing	(315)
Arbitrage	137
Principal repayments:	
General obligation debt	35,701
Installment purchases	36,270
Commercial paper	28,828
Section 108 loan guarantee	532
Net adjustment to decrease *net changes in fund balances - total governmental funds* to arrive at *changes in net assets of governmental activities*	$ (164,001)

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." The details of this $(2,852) difference are as follows:

Accrued interest	$ 1,257
Amortization on deferred amount on refunding	(911)
Amortization of issuance costs	(450)
Amortization of debt premiums	3,428
Amortization of discounts	(32)
Compensated absences	(545)
Law enforcement officers' separation allowance	(1,350)
Unfunded OPEB liability	(3,484)
Change in pension assets	(765)
Net adjustment to increase *net changes in fund balances - total governmental funds* to arrive at *changes in net assets of governmental activities*	$ (2,852)

3. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

As required by State statutes, prior to July 1 each year the City Council adopts an annual appropriation ordinance for all funds except those for which expenditures are authorized by project ordinance and the Internal Service and Fiduciary Funds. City funds budgeted by project ordinance include the Capital Projects Fund, Public Safety Grants, Neighborhood Development, Employment and Training, the Stimulus Grants, and Emergency Communications 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, 2010.

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 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.

4. DETAILED DISCLOSURES ON ALL FUNDS

a. Deposits

As of June 30, 2010, the bank balances and carrying amounts of bank deposits were as follows:

	Bank Balance	Carrying Amount
City - Governmental and Business-type Activities	$117,377	$ 59,724
City - Fiduciary Fund	224	37,731
Component unit - Authority	9,556	9,124

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.

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 amount 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. The City has no policy regarding custodial credit risk for deposits. Of the City's bank balances, $1,228 was covered at the federal depository insurance coverage level (including coverage by the Temporary Liquidity Guarantee Program) and $116,373 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, $2,669 was covered by federal depository

insurance (including coverage by the Certificate of Deposit Account Registry Service Program). 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 Other Employee Benefit Trust fund 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.

The investments and maturities at June 30, 2010, were as follows:
City - Governmental and Business-type Activities

		Investment Maturities (in Years)		
	Fair Value	Less than 1	1-3	More than 3
Investment type				
U.S. Agencies	$ 1,468,269	$ 613,056	$ 806,316	$ 48,897
Commercial Paper	75,997	75,997	-	-
Mutual Funds	66,604	N/A	N/A	N/A
NCCMT Cash Portfolio	312,682	N/A	N/A	N/A
NCCMT Term Portfolio*	8,000	8,000	-	-
Total	$ 1,931,552	$ 697,053	$ 806,316	$ 48,897

* Because the NCCMT Term Portfolio had a weighted average maturity of 0.8 years, it was presented as an investment with a maturity of 6-12 months.

Interest Rate Risk. Although the City does not have a formal investment policy, internal investment guidelines prohibit maturities longer than five years which helps manage exposure to fair value losses in rising interest rate environments.

Credit Risk. State law limits investments in commercial paper to the top rating issued by nationally recognized statistical rating organizations (NSRO's). Although the City had no formal policy on managing credit risk, internal investment guidelines for commercial paper require at least two ratings from either Standard & Poor's (S&P), Fitch Ratings (Fitch), or Moody's Investors Service (Moody's).

As of June 30, 2010, 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 Cash Portfolio carried a credit rating of AAAm by S&P as of June 30, 2010. The City's investment in the NCCMT Term Portfolio is unrated. The Term Portfolio is authorized to invest in instruments permitted by State statute 159-30 described above. 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 AAA 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, 2010, the City had no investments subject to custodial credit risk. The City had no formal policy on custodial credit risk. However, the City's internal policy limits custodial credit risk by providing that security in the collateral be delivered to a third party safekeeping bank designated by the City.

Concentration of Credit Risk. The City's informal 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 $10 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.

The investments and maturities at June 30, 2010 of the Charlotte Firefighters' Retirement System were as follows:
City – Fiduciary Fund

		Investment Maturities (in Years)			
Investment type	Fair Value	Less than 1	1 - 5	6 - 10	More than 10
U.S. Treasuries	$ 6,540	$ -	$ 4,039	$ 1,643	$ 858
U.S. Agencies	9,229	-	176	-	9,053
Corporate bonds	22,160	474	9,347	5,390	6,949
Common stocks	87,142	N/A	N/A	N/A	N/A
Mutual funds	164,889	N/A	N/A	N/A	N/A
Total	$ 289,960	$ 474	$ 13,562	$ 7,033	$ 16,860

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, 2010 are as follows:

Quality Rating	Fair Value	Percentage of Portfolio
AAA	$ 11,000	29.00%
Baa > AA	15,642	41.24%
B > Ba	82	0.21%
Total credit risk debt securities	26,724	70.45%
US Government fixed income securities:		
Government National Mortgage Association	573	1.52%
U.S. Treasury	6,540	17.24%
Not rated	4,092	10.79%
Total fixed income securities	$ 37,929	100.00%

Concentration of Credit Risk. The System limits the amount of equity holdings in any one company to 8 percent of the market value of the portfolio; the amount of equity holdings in any one sector to 30 percent of the market value of the portfolio; and the amount of fixed-income securities in any one corporation to 5 percent of the market value of the portfolio. There is no limit on securities backed by the full faith and credit of the U.S. Government or any of its instrumentalities.

In accordance with the Act, the System has invested in collateralized mortgage obligations (CMO) and mortgage backed securities. CMO and mortgage backed securities are based on cash flows from principal and interest payments on underlying mortgages. CMO rates trade in sympathy with treasury rates. At year-end, the System held $1,850 of these securities.

Component Unit: At June 30, 2010, the Authority had investments of $190 in the NCCMT's Cash Portfolio, which carried a credit rating of AAAm by Standard and Poor's.

c. Receivables

Accounts receivable are presented net of allowance for uncollectibles in the accompanying financial statements. The receivables and applicable allowances for uncollectibles are as follows:

	Gross Receivable	Allowance	Net Receivable
Governmental			
General	$ 33,030	$ 23,058	$ 9,972
Debt Service	2,648	2,231	417
Capital Projects	13,032	7,600	5,432
Nonmajor	4,100	3,649	451
Total Governmental	52,810	36,538	16,272
Proprietary			
Water and Sewer	46,635	8,065	38,570
Storm Water	8,229	2,043	6,186
Airport	22,687	144	22,543
Public Transit	1,783	438	1,345
Internal Service	574	-	574
Total Proprietary	79,908	10,690	69,218
Fiduciary			
Firefighters' Retirement	854	-	854
Employee Benefit	138	-	138
Total	$133,710	$ 47,228	$ 86,482

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, the 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, 2010 the balance of the loan outstanding was $4,078.

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, 2009, were based on the assessed values listed as of January 1, 2009, 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 2010 (tax rate per $100 valuation) to its funds is shown below:

General	$ 0.3758
Debt Service	0.0687
Capital Projects	0.0141
Total	$ 0.4586

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 2010 for Districts 1, 2, 3, 4 and 5 were $.0174, $.0239, $.0386, $.0668 and $.0300, respectively.

e. Restricted Assets

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

Governmental-	
Debt Service	$ 119
Capital Projects	37,614
Total Governmental	37,733
Enterprise-	
Water and Sewer	234,491
Storm Water	1,691
Airport	250,252
Public Transit	7
Total Enterprise	486,441
Total	$ 524,174

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, 2010 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities-				
Capital assets, not being depreciated:				
Land	$2,894,707	$ 86,901	$ -	$2,981,608
Construction in progress	475,555	230,219	388,426	317,348
Total capital assets, not being depreciated	3,370,262	317,120	388,426	3,298,956
Capital assets, being depreciated:				
Buildings	676,846	327,631	-	1,004,477
Infrastructure	2,202,637	69,506	-	2,272,143
Intangibles	10,975	1,288	-	12,263
Machinery and equipment	149,680	19,442	9,744	159,378
Total capital assets being depreciated	3,040,138	417,867	9,744	3,448,261
Less accumulated depreciation for:				
Buildings	183,933	20,551	-	204,484
Infrastructure	577,333	55,800	-	633,133
Intangibles	9,207	1,772	-	10,979
Machinery and equipment	107,234	15,500	9,599	113,135
Total accumulated depreciation	877,707	93,623	9,599	961,731
Total capital assets, being depreciated, net	2,162,431	324,244	145	2,486,530
Governmental activities capital assets, net	$5,532,693	$641,364	$ 388,571	$5,785,486

Depreciation expense was charged to activities as follows:

Governmental activities:	
Public safety	$ 11,865
Sanitation	3,287
General administration	1,419
Support services	2,692
Engineering and property management	6,419
Streets and highways	53,886
Community planning and development	14,053
Capital assets held by the City's internal service funds are charged to the various functions based on the usage of assets	2
Total depreciation expense - governmental activities	$ 93,623

Capital asset activity for business-type activities for the year ended June 30, 2010 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities-				
Capital assets, not being depreciated:				
Land	$ 338,066	$ 7,332	$ 1,296	$ 344,102
Construction in progress	945,465	295,622	248,444	992,643
Total capital assets, not being depreciated	1,283,531	302,954	249,740	1,336,745
Capital assets, being depreciated:				
Buildings	642,386	54,189	-	696,575
Improvements other than buildings:				
Water and sewer systems	3,238,006	56,632	-	3,294,638
Storm water systems	169,060	7,337	-	176,397
Runways	221,539	111,412	-	332,951
Transit corridors	328,558	2,182	-	330,740
Other	83,600	20,012	-	103,612
Intangibles	19,520	378	-	19,898
Machinery and equipment	233,062	15,164	19,871	228,355
Total capital assets being depreciated	4,935,731	267,306	19,871	5,183,166
Less accumulated depreciation for:				
Buildings	335,908	24,164	-	360,072
Improvements other than buildings:				
Water and sewer systems	813,854	79,357	-	893,211
Storm water systems	27,816	2,933	-	30,749
Runways	82,643	8,023	-	90,666
Transit corridors	27,357	18,639	-	45,996
Other	32,498	4,617	-	37,115
Intangibles	15,241	1,814	-	17,055
Machinery and equipment	100,954	17,709	16,337	102,326
Total accumulated depreciation	1,436,271	157,256	16,337	1,577,190
Total capital assets, being depreciated, net	3,499,460	110,050	3,534	3,605,976
Business-type activities capital assets, net	$ 4,782,991	$ 413,004	$ 253,274	$ 4,942,721

g. Interfund Receivables, Payables and Transfers

The following is a summary of interfund receivables and payables at June 30, 2010, by fund:

Due to/from other funds:	Interfund Receivables	Interfund Payables
General	$ 3,151	$ 639
Nonmajor governmental	-	3,151
Enterprise - Public Transit	1	-
Employee Health and Life	638	-
Total	$ 3,790	$ 3,790

The balances are for reimbursable expenditures and will be paid within 30 days.

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

	Receivable Entity	Payable Entity
Primary Government:		
Debt Service	$ 3,780	$ -
Capital Projects	298	525
Nonmajor governmental	-	1,289
Enterprise - Airport	-	140
Component Unit - Authority	1,954	4,078
Total	$ 6,032	$ 6,032

Interfund transfers:

	Transfers In:					
Transfer out:	General	Debt Service	Capital Projects	Nonmajor Governmental	Enterprise - Public Transit	Total
General	$ -	$ 21,953	$ -	$ 4,811	$ -	$ 26,764
Debt Service	97	-	-	101	6	204
Capital Projects	18	5,239	-	6,338	18,459	30,054
Nonmajor governmental	3,556	53,447	1,158	-	-	58,161
Total	$ 3,671	$ 80,639	$ 1,158	$ 11,250	$ 18,465	$ 115,183

The transfers consist primarily of the following: (a) $80,639 to Debt Service from General, Capital Projects and nonmajor governmental to cover debt service costs, (b) $18,400 to Enterprise - Public Transit from Capital Projects pursuant to an interlocal agreement for regional mass transit and (c) $11,250 to nonmajor governmental from General, Debt Service and Capital Projects.

h. Payables

Payables at June 30, 2010 were as follows:

	Vendors	Salaries	Other	Total
Governmental				
General	$ 14,250	$ 5,329	$ 8,182	$ 27,761
Debt Service	30	-	-	30
Capital Projects	18,008	-	150	18,158
Nonmajor governmental	4,001	11	-	4,012
Total Governmental	36,289	5,340	8,332	49,961
Proprietary				
Water and Sewer	22,557	1,739	884	25,180
Storm Water	2,443	204	-	2,647
Airport	23,599	604	-	24,203
Public Transit	7,092	2,379	3,519	12,990
Internal Service	46,792	62	-	46,854
Total Business-type	102,483	4,988	4,403	111,874
Total	$ 138,772	$ 10,328	$ 12,735	$ 161,835

i. Deferred Revenues

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources received but not yet earned. At the end of the current fiscal year, the components of deferred revenue and unearned revenue reported in the governmental funds were as follows:

	Unavailable	Unearned
Property taxes receivable:		
General	$ 7,723	$ 445
Debt Service	418	-
Capital Projects	1,013	-
Nonmajor governmental	100	-
Notes receivable:		
General	19	-
Capital Projects	43,440	-
Nonmajor governmental	51,595	-
Accounts receivable:		
General	2,924	-
Capital Projects	4,552	-
Nonmajor governmental	298	-
Due from component unit:		
Debt Service	3,780	-
Capital Projects	298	-
Due from other governmental agencies		
General	44	-
Grant advances:		
Nonmajor governmental	4,282	4,282
	$ 120,486	$ 4,727

j. Long-term Liabilities

A summary of changes in long-term liabilities for governmental activities for the year ended June 30, 2010 follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities					
General obligation bonds	$ 377,156	$ 229,110	$ 122,496	$ 483,770	$ 27,761
Less unamortized deferred on refundings	(6,964)	-	(504)	(6,460)	(505)
Plus unamortized premiums	8,130	24,967	1,508	31,589	2,265
Total bonds payable	378,322	254,077	123,500	508,899	29,521
Special obligation bonds	10,970	-	-	10,970	-
Installment purchases	522,353	272,994	36,270	759,077	36,268
Less unamortized deferred on refundings	(4,320)	-	(407)	(3,913)	(403)
Plus unamortized premiums	15,361	10,878	1,920	24,319	2,134
Less unamortized discounts	(946)	-	(32)	(914)	(32)
Total installment purchases	532,448	283,872	37,751	778,569	37,967
Commercial paper notes payable	293,812	88,192	335,542	46,462	-
Derivative instrument liability	12,163	20,394	-	32,557	-
Swaption borrowing payable	6,944	314	-	7,258	-
Compensated absences	37,898	31,090	30,543	38,445	24,657
Arbitrage	287	5	142	150	150
Section 108 loan guarantee	12,665	-	532	12,133	558
Private loan	2,322	32,723	-	35,045	-
Due to participants	570	4,262	-	4,832	-
Law enforcement officers' separation allowance	9,565	1,350	-	10,915	-
Unfunded OPEB liability	-	3,484	-	3,484	-
Total governmental activities	$1,297,966	$ 719,763	$ 528,010	$ 1,489,719	$ 92,853

For governmental activities, compensated absences and law enforcement officers' separation allowance 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, 2010 follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type Activities					
Water and Sewer:					
General obligation bonds	$ 300,175	$ -	$ 21,913	$ 278,262	$ 23,113
Less unamortized deferred on refundings	(15,474)	-	(1,593)	(13,881)	(1,594)
Plus unamortized premiums	22,268	-	1,791	20,477	1,791
Revenue bonds	1,183,070	460,145	125,390	1,517,825	32,790
Less unamortized deferred on refundings	(11,734)	-	(979)	(10,755)	(979)
Plus unamortized premiums	15,100	33,348	1,477	46,971	2,051
Total bonds payable	1,493,405	493,493	147,999	1,838,899	57,172
Installment purchases	25,663	1,752	10,067	17,348	6,702
Plus unamortized premiums	1,034	170	393	811	289
Total installment purchases	26,697	1,922	10,460	18,159	6,991
Commercial paper notes payable	55,612	54,388	110,000	-	-
Other financing agreements - Municipal systems	7,975	-	855	7,120	845
Derivative instrument liablity	54,457	10,561	-	65,018	-
Refundable construction deposits	7,115	819	1,125	6,809	678
Compensated absences	3,173	2,698	2,717	3,154	1,855
Arbitrage	449	151	-	600	101
Total Water and Sewer	1,648,883	564,032	273,156	1,939,759	67,642
Storm Water:					
General obligation bonds	13,465	-	1,231	12,234	820
Less unamortized deferred on refundings	(643)	-	(48)	(595)	(48)
Plus unamortized premiums	879	-	65	814	64
Revenue bonds	123,660	-	3,275	120,385	3,420
Less unamortized deferred on refundings	(1,675)	-	(108)	(1,567)	(108)
Plus unamortized premiums	2,596	-	101	2,495	101
Total bonds payable	138,282	-	4,516	133,766	4,249
Compensated absences	422	399	366	455	255
Total Storm Water	138,704	399	4,882	134,221	4,504

continued on next page

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Airport:					
Revenue bonds	$ 612,855	$ 229,015	$ 119,505	$ 722,365	$ 15,535
Less unamortized deferred on refundings	(2,341)	(1,143)	(801)	(2,683)	(269)
Plus unamortized premiums	6,545	3,244	612	9,177	667
Total bonds payable	617,059	231,116	119,316	728,859	15,933
Compensated absences	1,254	1,055	1,017	1,292	727
Arbitrage	117	89	-	206	206
Total Airport	618,430	232,260	120,333	730,357	16,866
Public Transit:					
General obligation bonds	9	-	5	4	2
Installment purchases	177,350	-	7,150	170,200	7,430
Less unamortized deferred on refundings	(309)	-	(29)	(280)	(29)
Plus unamortized premiums	3,327	-	134	3,193	134
Total installment purchases	180,368	-	7,255	173,113	7,535
Compensated absences	2,631	1,420	1,334	2,717	864
Arbitrage	9	29	-	38	38
Total Public Transit	183,017	1,449	8,594	175,872	8,439
Total business-type activities	$ 2,589,034	$ 798,140	$ 406,965	$ 2,980,209	$ 97,451

The government-wide statement of net assets includes $16,139 of long-term liabilities due within one year for business-type activities in the *liabilities payable from restricted assets*. The remaining amount of $81,312 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. Interest rates on fixed rate general obligation bonds outstanding range from 1.50 to 5.25 percent with final maturity in the year 2030. Interest on the variable rate bonds is determined by a remarketing agent based upon market conditions.

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

Governmental Activities

Year Ended June 30	Principal	Interest
2011	$ 27,761	$ 22,705
2012	28,477	21,479
2013	27,479	20,313
2014	26,588	18,963
2015	27,357	17,657
2016-2020	129,672	69,428
2021-2025	135,256	37,662
2026-2030	81,180	8,555
	$ 483,770	$ 216,762

Business-type Activities

Year Ended	Water and Sewer		Storm Water		Public Transit	
June 30	Principal	Interest	Principal	Interest	Principal	Interest
2011	$ 23,113	$ 13,125	$ 820	$ 592	$ 2	$ -
2012	24,287	11,955	859	551	2	-
2013	24,961	10,733	914	508	-	-
2014	26,087	9,508	960	463	-	-
2015	26,453	8,231	1,000	415	-	-
2016-2020	124,066	21,568	4,872	1,327	-	-
2021-2024	29,295	1,991	2,809	241	-	-
	$ 278,262	$ 77,111	$ 12,234	$ 4,097	$ 4	$ -

(2) Special Obligation Bonds

In November 2004, the City issued taxable variable rate special obligation bonds to acquire property for purposes of revitalizing the uptown area. Interest on the variable-rate bonds is determined by a remarketing agent based upon market conditions. These bonds are solely secured by and payable from a portion of the sales and use tax distributed revenues and are non-general obligation financings. These revenues are not pledged by the City, directly or indirectly, as collateral, and no lien or claim can be made against such revenues. 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 bonds.

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

Governmental Activities Year Ended June 30	Principal	Interest
2011	$ -	$ 38
2012	850	38
2013	900	36
2014	950	32
2015	1,000	29
2016-2020	5,890	88
2021	1,380	5
	$ 10,970	$ 266

(3) Revenue Bonds

The following table summarizes the City's revenue bonds:

Business-type activities Date Sold	Original Issue	Refunded	Original Interest Rates	Final Maturity	Balance June 30, 2010
Water and Sewer -					
June 2001	$149,000	-	4.25% - 5.50%	2026	$ 119,905
February 2002	61,035	-	3.50% - 5.50%	2016	37,025
March 2002	114,430	-	Variable	2028	114,430
August 2002	108,390	*	Variable	2025	103,225
March 2005	68,790	-	3.00% - 5.00%	2022	60,895
July 2006	100,290	-	4.00% - 5.00%	2037	95,135
July 2006	300,000	August 2009	Variable	2037	184,350
August 2008	342,715	-	3.50% - 5.00%	2039	342,715
August 2009	93,765	**	3.00% - 5.25%	2036	93,765
December 2009	366,380	-	3.50% - 5.00%	2040	366,380
Storm Water -					
January 2002	29,840	***	3.00% - 5.25%	2025	28,505
October 2004	54,265	-	3.00% - 5.00%	2034	49,855
October 2006	43,675	-	4.00% - 5.00%	2036	42,025
Airport -					
December 1985	108,780	February 2009	2.50% - 5.00%	2017	51,180
December 1999	102,255	February 2010	4.63% - 6.85%	2029	67,770
December 1999	88,805	November 2008	Variable	2030	24,480
September 2004	150,775	-	2.31% - 5.25%	2035	138,415
September 2004	16,160	November 2008	Variable	2035	15,860
August 2007	99,995	****	4.00% - 5.00%	2038	96,775
August 2007	47,570	-	Variable	2038	45,940
February 2010	130,100	*****	2.00% - 5.50%	2040	130,100
February 2010	31,145	-	Variable	2040	31,145
Airport Special Facility-					
June 1987	67,000	March 1998	5.60%	2028	66,300
March 1998	19,700	-	5.60%	2028	19,700
September 2000	34,700	-	7.75%	2028	34,700

* The August 2002 issue for $108,390 includes refunding of $37,890 of August 1999 bonds and $58,990 of October 2000 bonds.

** The August 2009 issue for $93,765 refunds $100,000 of July 2006 variable rate bonds.

*** The January 2002 issue for $29,840 includes refunding of $27,355 of May 2000 bonds.

**** The August 2007 issue for $99,995 includes refunding of $7,950 of December 1999 bonds.

***** The February 2010 issue for $130,100 includes refunding of $3,000 of December 1985 bonds.

Interest on the variable-rate bonds is determined by a remarketing agent based upon market conditions. The City entered into interest rate swap agreements for the variable rate March 2002 Water and Sewer Revenue Bonds, the August 2002 Water and Sewer Refunding Revenue bonds and the July 2006 Water and Sewer Refunding Revenue Bonds. See note 4.j.7 for additional information concerning derivative instruments.

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 Airport Special Facility Revenue Bonds are payable solely from and secured solely by a pledge of debt service rentals pursuant to a Special Facility Lease (Lease) agreement with US Airways Group, Inc.

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 2010 Water and Sewer Fund budgets, revenue bond debt service coverage was at least 121 percent. Based on the 2010 Storm Water Fund budgets, revenue bond debt service coverage was at least 343 percent.

The Revenue and Special Facility 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.

The Revenue Bond Orders provide for the establishment of reserves for working capital and debt service. The reserves in the Airport Enterprise Fund at June 30, 2010 are $18,613 for working capital and $35,446 for debt service. The reserve requirements for the Water and Sewer Revenue Bonds, except for the June 2001 and February 2002 issues, were satisfied with the purchase of surety bonds or insurance policies. For the June 2001 and February 2002 Water and Sewer and the Storm Water Revenue bonds, the reserve for debt service in the Water and Sewer and Storm Water Enterprise Funds is $14,429 and $1,691, respectively, at June 30, 2010.

Revenue bond debt service requirements to maturity are as follows:

Business-type Activities

Year Ended	Water and Sewer		Storm Water		Airport	
June 30	Principal	Interest	Principal	Interest	Principal	Interest
2011	$ 32,790	$ 56,261	$ 3,420	$ 5,732	$ 15,535	$ 29,349
2012	34,025	53,989	3,550	5,601	18,425	30,057
2013	41,285	52,503	3,690	5,463	19,060	29,392
2014	43,890	50,676	3,845	5,310	19,915	28,663
2015	45,445	48,701	4,025	5,128	20,675	27,916
2016-2020	263,520	217,678	23,275	22,481	90,945	127,699
2021-2025	314,190	174,719	29,370	16,400	97,895	109,618
2026-2030	250,380	126,451	22,035	9,939	253,330	69,750
2031-2035	260,475	78,054	24,430	4,019	116,840	26,219
2036-2040	231,825	22,272	2,745	123	69,745	6,063
	$1,517,825	$ 881,304	$120,385	$ 80,196	$722,365	$484,726

(4) Installment Purchases

The following table summarizes the City's installment purchases:

Date Sold	Original Issue	Refunded	Original Interest Rates	Final Maturity	Balance June 30, 2010
Governmental activities:					
Convention Center -					
July 1991	$ 120,695	September 2003	5.00% - 5.50%	2020	$ 92,255
July 1991	24,335	February 2007	Variable	2022	19,490
April 2000	27,775	February 2007	5.00% - 5.63%	2011	875
October 2000	16,500	May 2005	5.00% - 7.25%	2011	530
May 2005	33,665	February 2007	3.00% - 5.00%	2026	19,160
February 2007	22,655	-	5.34% - 5.49%	2012	9,790
June 2009	30,620	-	2.00% - 5.00%	2034	30,620
Tourism -					
May 2003	41,000	-	Variable	2033	19,785
August 2003	136,850	-	4.00% - 5.38%	2033	136,850
August 2003	16,800	-	2.00%	2015	5,900
Cultural Facilities -					
September 2009	139,135	-	4.00% - 5.00%	2039	139,135
Public Safety -					
July 1993	14,000	May 2003	2.00% - 4.00%	2013	2,895
March 1995	10,500	November 2001	3.50% - 4.50%	2016	4,425
November 2001	12,865	-	4.13% - 5.25%	2021	3,550
April 2005	15,725	-	Variable	2025	12,740
May 2005	16,805	-	3.00% - 5.00%	2025	16,560
March 2007	2,139	-	4.00% - 5.00%	2012	926
June 2009	41,675	-	3.00% - 5.00%	2029	39,790
May 2010	13,685	-	3.625% - 5.00%	2024	13,685
Hall of Fame -					
June 2009	37,295	-	5.00%	2039	37,295
July 2009	100,000	-	Variable	2035	100,000
Equipment -					
2006 - 2010	78,394	-	3.00% - 5.00%	2016	52,821
Business-type activities:					
Water and Sewer Equipment -					
2006 - 2010	33,972	-	3.00% - 5.00%	2016	17,348
Public Transit Equipment and Facilities -					
November 2001	11,840	-	3.50% - 5.25%	2011	1,510
December 2003	58,440	-	2.00% - 5.00%	2033	54,895
January 2004	28,595	-	Variable	2014	12,495
August 2005	74,400	-	3.00% - 5.00%	2035	67,750
June 2008	34,965	*	3.50% - 5.00%	2035	33,550

* The June 2008 issue for $34,965 includes refunding of $35,905 of August 2005 installment purchases.

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

The City entered into an installment purchase contract in July 1991 to construct a new convention center. An indenture of trust required the creation and maintenance of a reserve fund in an amount equal to the lesser of (a) 10 percent of the proceeds of the contract, (b) the maximum annual installment payments or (c) 125 percent of the average annual installment payments. The July 1991 installment purchase contract matured during 2010 and the reserve fund was liquidated. The April and October 2000 installment purchase financings were for additions and modifications. For these two contracts a surety bond was purchased in lieu of funding a debt service requirement.

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. Net revenues from room occupancy and prepared food and beverage taxes are dedicated for debt service payments for these financings. These revenues are not pledged by the City, directly or indirectly, as collateral, and no lien or claim can be made against such revenues.

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

Installment purchases debt service requirements to maturity are as follows:

Governmental Activities

Year Ended June 30	Principal	Interest
2011	$ 36,268	$ 29,408
2012	43,702	28,030
2013	35,867	26,261
2014	36,190	24,770
2015	31,410	23,152
2016-2020	152,475	96,217
2021-2025	138,755	67,500
2026-2030	116,075	43,894
2031-2035	102,705	24,818
2036-2039	65,630	8,317
	$ 759,077	$ 372,367

Business-type Activities

Year Ended	Water and Sewer		Public Transit	
June 30	Principal	Interest	Principal	Interest
2011	$ 6,702	$ 818	$ 7,430	$ 7,548
2012	4,898	514	6,120	7,355
2013	2,473	273	6,350	7,217
2014	2,575	155	6,570	7,089
2015	350	26	4,415	6,951
2016-2020	350	9	25,195	31,637
2021-2025	-	-	31,660	25,162
2026-2030	-	-	40,115	16,710
2031-2035	-	-	42,345	5,857
	$ 17,348	$ 1,795	$ 170,200	$ 115,526

(5) Commercial Paper

The City has available a general obligation commercial paper bond program to finance street improvements, neighborhood improvements, public improvements and housing projects. The City has authorized the issuance of bonds up to the amount of $150,000 outstanding at any time. The bonds are general obligations of the City, and the City has pledged its faith and credit to the payment of principal of and interest on the bonds. In addition, the City has entered into a Standby Bond Purchase Agreement which will expire in November 2012. The bonds will mature no later than 270 days after the date of issuance or October 1, 2034. The bonds will be replaced by general obligation bonds. The City had general obligation commercial paper bonds payable of $46,462 outstanding at June 30, 2010. Interest rates are based upon market conditions.

Commercial paper debt service requirements to maturity are as follows:

Governmental Activities Year Ended June 30	Principal	Interest
2011	$ -	$ 232
2012	-	232
2013	46,462	89
	$ 46,462	$ 553

(6) Other Long-term Liabilities

(a) Section 108 Loan Guarantee

This is the loan guarantee provision of the Community Development Block Grant (CDGB) program that provides communities with a source of financing for economic development, housing rehabilitation, public facilities, and large-scale physical development projects. Local governments borrowing funds guaranteed by Section 108 loans must pledge their current and future CDBG allocations to cover the loan amount as security for the loan. Debt service requirements to maturity are as follows:

Governmental Activities Year Ended June 30	Principal	Interest
2011	$ 558	$ 197
2012	583	180
2013	610	162
2014	643	143
2015	696	122
2016-2020	3,340	317
2021-2025	2,858	66
2026-2029	2,845	18
	$ 12,133	$ 1,205

(b) Private Loan

The City has entered into a private loan agreement for up to $41.5 million dollars to finance pre-opening expenses for the NASCAR Hall of Fame project, construction of additional parking and construction of the facility. The interest rate is 4.00 percent and will be due in June 2014. As of June 30, 2010, $35,045 had been advanced under this agreement.

Debt service requirements to maturity are as follows:

Governmental Activities Year Ended June 30	Principal	Interest
2011	$ -	$ 1,402
2012	-	1,402
2013	-	1,402
2014	35,045	1,401
	$ 35,045	$ 5,607

(c) Municipal Systems

Pursuant to agreements, the City is leasing water and sewer facilities owned by municipalities within Mecklenburg County. These lease agreements continue until the outstanding bonds on these facilities have been retired, at which time title to the facilities will be conveyed to the City. Debt service requirements to maturity are as follows:

Business-type Activities Year Ended June 30	Principal	Interest
2011	$ 845	$ 316
2012	835	281
2013	830	245
2014	835	210
2015	825	175
2016-2020	2,950	358
	$ 7,120	$ 1,585

Certain developers have contracted with the City for construction of water and sewer lines. Under terms of these contracts, the developers are required to deposit with the City an amount equal to the estimated cost of constructing the lines. The lines become the property of the City upon completion and acceptance. Refunds of deposits may be either wholly or partially refundable depending upon terms of the contracts. They will be paid over periods of five to twenty years. There are no stated interest requirements for these deposits.

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, 2010, a liability for $600, $206 and $38 is included in the Water and Sewer,

Airport and Public Transit Enterprise Funds, respectively. A liability for $150 is included in the Capital Projects Fund for estimated arbitrage profits payable.

(7) Derivative Instruments

The fair value balances and notional amounts of derivative instruments outstanding at June 30, 2010 classified by type, and the changes in fair value of such derivative instruments for the year then ended are as follows:

	Changes in Fair Value		Fair Value at June 30		
	Classification	Amount	Classification	Amount	Notional
Governmental activities					
Cash flow hedges:					
Pay-fixed interest rate swap	Deferred outflow	$ (17,136)	Debt	$ (17,136)	$ 100,000
Pay-fixed interest rate swaption	Investment revenue	$ (3,258)	Debt	$ (15,421)	$ 128,245
Business-type activities					
Cash flow hedges:					
Pay-fixed interest rate swap	Deferred outflow	$ (10,561)	Debt	$ (65,018)	$ 402,005

The following table displays the objective and terms of the City's hedging derivative instruments outstanding at June 30, 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 2002B Water and Sewer Revenue Bonds	$ 114,430	3/13/2002	7/1/2027	Pay 4.03%; receive 67% of LIBOR	A2/A
Pay-fixed interest rate swap	Hedge of changes in cash flows on the 2002C Water and Sewer Revenue Bonds	$ 103,225	8/8/2002	6/1/2025	Pay 3.79%; receive lesser of the bond floating rate or 67% of LIBOR not to exceed 12.00%	A2/A
Pay-fixed interest rate swap	Hedge of changes in cash flows on the 2006B Water and Sewer Revenue Bonds	$ 184,350	8/1/2006	7/1/2036	Pay 4.04%; receive SIFMA swap index	Aa2/AA
Pay-fixed interest rate swap	Hedge of changes in cash flows on the 2009D Hall of Fame Certificates of Participation	$ 100,000	8/18/2009	6/1/2035	Pay 4.725%; receive LIBOR	Aa2/AA
Pay-fixed interest rate swaption	Hedge of changes in cash flows in the 2003G Tourism Certificates of Participation	$ 128,245	6/1/2013	6/1/2033	Pay 5.10%; receive SIFMA swap index	Aa2/AA

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 the rate received by the City for the 2002B and 2002C agreements was 67 percent of LIBOR or 0.23 percent, whereas the bond floating rates paid by the City were 0.30 percent for Series 2002B and 0.29 percent for Series 2002C. As of June 30 the rate received by the City for the 2006B agreement was 0.25 percent, whereas the bond floating rate paid by the City was 0.30 percent. As of June 30 the rate received by the City for the 2009D agreement was 0.35 percent, whereas the bond floating rate paid by the City was 0.35 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, 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.

Governmental Activities

Year Ended	Variable Rate Bonds		Hedging	
June 30	Principal	Interest	Derivatives, Net	Total
2011	$ 2,025	$ 350	$ 4,380	$ 6,755
2012	2,125	343	4,286	6,754
2013	2,255	335	4,193	6,783
2014	2,380	328	4,095	6,803
2015	2,510	319	3,991	6,820
2016-2020	14,785	1,455	18,181	34,421
2021-2025	19,405	1,165	14,564	35,134
2026-2030	25,435	786	9,820	36,041
2031-2035	29,080	288	3,602	32,970
	$ 100,000	$ 5,369	$ 67,112	$ 172,481

Business-type Activities

Year Ended	Variable Rate Bonds		Hedging	
June 30	Principal	Interest	Derivatives, Net	Total
2011	$ 6,345	$ 1,131	$ 14,757	$ 22,233
2012	4,585	1,171	14,467	20,223
2013	4,780	1,157	14,293	20,230
2014	4,955	1,142	14,114	20,211
2015	5,145	1,127	13,927	20,199
2016-2020	103,875	4,923	60,859	169,657
2021-2025	130,000	3,112	38,594	171,706
2026-2030	69,325	1,480	18,443	89,248
2031-2035	41,980	788	9,829	52,597
2036-2037	31,015	99	1,229	32,343
Total	$ 402,005	$ 16,130	$ 200,512	$ 618,647

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, the aggregate fair value of all hedging

derivative instruments with these collateral posting provisions is ($97,575). If the collateral posing requirements were triggered at June 30, the City would not be required to post collateral to its counterparties because they had negative fair values. The City's credit rating is Aaa/AAA, therefore, no collateral has been posted at June 30.

(8) Refundings

In July 2009, the City issued $100,000 variable rate NASCAR Hall of Fame installment purchase contracts. Net proceeds of $99,413 (after payment of $587 in underwriting fees, insurance and other issue costs), and $17,236 of City funds were used to refund $103,075 outstanding commercial paper certificates of participation and to finance completion of the NASCAR Hall of Fame facilities. The variable rate installment purchase contracts were swapped to a fixed rate of 4.73 percent with a final maturity in 2035. See note 4.j.7 for additional information concerning swap agreements.

In August 2009, the City issued $93,765 in fixed rate Water Sewer Revenue Bonds with interest rates ranging from 3.00 to 5.25 percent to refund $100,000 of outstanding variable rate Water and Sewer System Revenue Bonds, Series 2006B. The net proceeds of $100,000 (after payment of $856 in underwriting fees, insurance and other issue costs) were used to purchase U.S. government securities. The City completed the refunding to reduce its total debt service payments over a period of 28 years by $2,559 and to obtain an economic gain (difference between the present values of the old and new debt service payments) of $1,520.

In September 2009, the City issued $139,135 fixed rate Cultural Arts Facilities installment purchase contracts. The net proceeds of $145,838 (after payment of $1,138 in underwriting fees, insurance and other issue costs) were used to refund $98,016 outstanding commercial paper certificates of participation and to finance completion of the Cultural Arts Facilities. The fixed rate installment purchase contracts have interest rates ranging from 4.00 to 5.00 percent with a final maturity in 2039.

In October 2009, the City issued $122,315 fixed rate general obligation refunding bonds. The net proceeds of $134,454 (after payment of $830 in underwriting fees, insurance and other issue costs) were used to refund $134,451 outstanding commercial paper certificates of participation. The fixed rate general obligation bonds have interest rates ranging from 3.00 to 5.00 percent with a final maturity in 2029. See note 4.j.5 for additional information on the general obligation commercial paper bond program.

In December 2009, the City issued $366,380 fixed rate Water and Sewer System Revenue Bonds. The net proceeds of $390,161 (after payment of $2,477 in underwriting fees, insurance and other issue costs) were used to refund $110,000 outstanding commercial paper certificates of participation and to finance additional improvements to the Water and Sewer system. The fixed rate revenue bonds have interest rates ranging from 3.50 to 5.00 percent with a final maturity in 2040.

In January 2010, the City issued $86,795 fixed general obligation refunding bonds with interest rates ranging from 3.00 to 5.00 percent to refund $90,000 of outstanding variable rate general obligation bonds, Series 2007. The net proceeds of $90,001 (after payment of $8,508 in underwriting fees, swap termination fee, insurance and other issue costs) were used to purchase U.S. government securities. The City completed the refunding to reduce its total debt service payments over a period of 18 years by $1,536 and to obtain an economic gain (difference between the present values of the old and new debt service payments) of $1,321.

In February 2010, the City issued $197,870 fixed rate Airport Revenue bonds with interest rates ranging from 1.25 to 5.50 percent to refund $69,750 of outstanding Airport Revenue Bonds, Series 1999B. The net proceeds of $199,074 (after payment of $2,039 in underwriting fees, insurance and other issue costs) were used to purchase U.S. government securities, acquire and construct certain improvements to the Airport, and fund the debt service reserve fund for the 2010 bonds. The refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of $1,143. This difference, reported in the accompanying financial statements as a deduction from revenue bonds payable, is being charged to operations through the year 2029 using the effective-interest method. The City completed the refunding to reduce its total debt service payments over a period of 19 years by $7,105 and to obtain an economic gain (difference between the present values of the old and new debt service payments) of $4,645.

(9) Other Debt Information

In prior years, the City defeased various general obligation bonds, revenue bonds and installment purchases by placing the proceeds of the new debt in an irrevocable trust to provide for all future debt service payments on the old debt. Accordingly, the trust account assets and the liability for the defeased debt are not included in the City's financial statements. At June 30, 2010, $46,740 of general government debt outstanding is considered defeased.

As of June 30, 2010, the City has authorized but unissued bonds of $352,218 consisting of $278,794 for street improvements, $19,373 for housing and $54,051 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 8 percent of the total assessed value of real and personal property. As of June 30, 2010, the City's legal debt limit was $6,177,413. The outstanding debt subject to this limit was $1,959,961, leaving a net legal debt margin of $4,217,452.

(10)Early Extinguishment

On February 10, 2010, the City early extinguished $38,465 of variable rate Airport Refunding Bonds, Series 1997A.

(11)Subsequent Events

On August 24, 2010, the City early extinguished $5,790 of fixed rate Airport Special Facility Revenue Bonds, Series 2000.

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, administered through a board of trustees; and the Law Enforcement Officers' Separation Allowance (LEO Separation). The City also participates in a Supplemental Retirement Income Plan for Law Enforcement Officers.

Component Unit: The Authority participates in the North Carolina LGERS which is described in Note 5.a. The Authority's contribution to the LGERS for the year ended June 30, 2010 was $520, which was 4.80 percent of annual covered payroll.

a. LGERS

Description: The City of Charlotte contributes to the statewide LGERS, a cost-sharing multiple-employer defined benefit pension plan. All employees of the City, except members of the Charlotte Firefighters' Retirement System, participate in LGERS which provides retirement and disability benefits to plan members and beneficiaries. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Local Governmental Employees Retirement System is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the North Carolina Office of the State Controller, Accounting and Financial Reporting Section, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410.

Funding Policy: Plan members are required to contribute 6.0 percent of their annual covered salary. The City is required to contribute at an actuarially determined rate. For the City, the current rate for employees not engaged in law enforcement and for law enforcement officers is 4.80 percent and 4.86 percent, respectively, of annual covered payroll. The contribution requirements of members and of the City are established and may be amended by the North Carolina General Assembly. The City's contributions to LGERS for the years ended June 30, 2010, 2009, and 2008, were $14.0

million, $13.9 million, and $13.0 million, respectively. The contributions made by the City equaled the required contributions for each year.

b. Charlotte Firefighters' Retirement System

Description: The Charlotte Firefighters' Retirement System (System), a single-employer defined benefit plan, provides retirement, disability and death benefits to civil service employees of the Charlotte Fire Department. 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.

Basis of Accounting: The financial statements of the System are presented on the accrual basis of accounting. Plan member and City contributions are recognized in the period in which the contributions are due. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Interest and dividend income are reported as earned. The net appreciation (depreciation) in the fair value of investments includes realized gains and losses on investments that were both bought and sold during the year.

Method Used to Value Investments: The investments of the 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.

Contributions: Pursuant to the North Carolina Act (Act) which established the System, the City is required to match the member's contribution. The Act establishes the contribution rate pursuant to the Board of Trustees' recommendation and approval by the City Council. The current rate is 12.65 percent. The Act was established and may be amended by the North Carolina General Assembly.

Annual Pension Cost and Net Pension Obligation: The City's annual pension cost and net pension obligation to the System for the current year were as follows:

Annual required contribution	$ 7,440
Interest on net pension obligation	(596)
Adjustment to annual required contribution	1,361
Annual pension cost	8,205
Contributions made	(7,440)
Increase in net pension obligation	765
Net pension obligation, beginning of year	(7,692)
Net pension obligation, end of year	$ (6,927)

Trend Information

Year Ended June 30	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2008	$ 6,825	101.40%	$ (6,911)
2009	6,560	111.91	(7,692)
2010	8,205	90.68	(6,927)

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL)- Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
7/1/2008	$ 358,536	$ 361,375	$ 2,839	99.21%	$ 55,219	5.14%
7/1/2009	360,003	376,027	16,024	95.74	56,890	28.17
7/1/2010	357,652	395,393	37,741	90.45	59,080	63.88

The information presented in the schedule of funding progress was determined as part of the actuarial valuation. Additional information follows:

Actuarial valuation date	7/1/10
Actuarial cost method	Entry age
Amortization method	Level Percent of Pay, Open
Remaining amortization period	30 years
Asset valuation method	5-year smoothed market value
Actuarial assumptions:	
Investment rate of return	7.75%
Projected salary increases	4.25 to 11.25%
Includes inflation at	3.25%
Cost of living adjustments	None

Concentrations: The System had individual fixed income or equity investments at June 30, 2010 managed by the following organizations that represented five percent or more of the System's net assets:

State Street Global Advisors	22%
Barrow, Hanley, Mewhinney & Strauss	13
Morgan Stanley	13
Winslow Capital Management	10
Aronson + Johnson + Oritz	9
Robeco Boston Partners	6
Cadence Capital Management	5
DE Shaw Investment Management	5
Investment Counselors of Maryland	5

c. LEO Separation

Description: The City of Charlotte administers a public employee retirement system (LEO Separation), a single-employer defined benefit pension plan that provides retirement benefits to the City's qualified sworn law enforcement officers. The LEO Separation is equal to .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 LEO Separation.

All full-time law enforcement officers of the City are covered by the LEO Separation. At December 31, 2009, the LEO Separation's membership consisted of:

Retirees receiving benefits	188
Active plan members	1,752
Total	1,940

Basis of Accounting: The City has chosen to fund the LEO Separation 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.

Method Used to Value Investments: No funds are set aside to pay benefits and administration costs. These expenditures are paid as they become due.

Contributions: The City is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the benefit payments 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. There were no contributions made by employees.

Annual Pension Cost and Net Pension Obligation: The City's annual pension cost and net pension obligation to the LEO Separation for the current year were as follows:

Annual required contribution	$ 4,538
Interest on net pension obligation	693
Adjustment to annual required contribution	(602)
Annual pension cost	4,629
Contributions made	(3,279)
Increase in net pension obligation	1,350
Net pension obligation, beginning of year	9,565
Net pension obligation, end of year	$ 10,915

Trend Information

Year Ended June 30	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2008	$ 3,624	83.28%	$ 8,420
2009	4,175	72.57	9,565
2010	4,629	70.85	10,915

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL)-Project Unit Credit (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
12/31/2004	$ -	$ 33,010	$33,010	-	$79,325	41.61%
12/31/2005	-	30,823	30,823	-	83,671	36.84
12/31/2006	-	34,026	34,026	-	87,917	38.70
12/31/2007	-	39,453	39,453	-	93,043	42.40
12/31/2008	-	42,984	42,984	-	100,289	42.86
12/31/2009	-	58,656	58,656	-	105,765	55.46

Schedule of Employer Contributions

Year Ended June 30	Annual Required Contribution	Percentage Contributed
2005	$ 3,242	70.39%
2006	3,548	68.97
2007	3,268	82.83
2008	3,538	85.30
2009	4,079	74.28
2010	4,538	72.27

The information presented in the previous schedules was determined as part of the actuarial valuation. Additional information follows:

Actuarial valuation date	12/31/09
Actuarial cost method	Projected Unit Credit
Amortization method	Level percent of pay closed
Remaining amortization period	21 years
Asset valuation method	Market Value
Actuarial assumptions:	
Investment rate of return	5.00%
Projected salary increases	4.50 to 12.30%
Includes inflation at	3.75%
Cost of living adjustments	None

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.

Funding Policy: Article 12E of G.S. Chapter 143 requires the City to contribute each month an amount equal to 5.0 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 1,761 law enforcement officers. Contributions for the year ended June 30, 2010 were $8,070, which consisted of $5,211 from the City and $2,859 from the law enforcement officers.

e. Death Benefit Plan

The City provides death benefits to law enforcement officers through the Death Benefit Plan for members of the Local Governmental Employees' Retirement System (LGERS), a multiple-employer, State-administered, cost-sharing plan funded on a one-year term cost basis. The beneficiaries of those employees who die in active service after one year of contributing membership in the LGERS, or who die within 180 days after retirement of termination of service and have at least one year of contributing membership service in the System at the time of death are eligible for death benefits. Lump sum death benefit payments to beneficiaries are equal to the employee's 12 highest months' salary in a row during the 24 months prior to the employee's death, but the benefit may not exceed $50 or be less than $25. 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, 2010, the City made contributions of $148 to the State for death benefits. The City's contributions for employees engaged in law enforcement represented .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.

Membership of the EBTP consisted of the following at July 1, 2009, the date of the latest actuarial valuation:

Retirees and beneficiaries receiving benefits	1,916
Active plan members	5,930
	7,846

Basis of Accounting: The City's financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to the plan are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Contribution Information: Funding Policy. The contribution requirements of plan members and the City are established and may be amended by the City Council. For retired employees, the City Council set the employer contribution rate based on the annual required contribution (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or fund excess) of the plan over a period not to exceed thirty years. For fiscal year 2010, the City contributed $14,967 to the plan for current premiums which exceeded the required contribution. Administrative costs of the plan are financed through contributions and investment earnings. Plan members receiving benefits contributed $4,772 through their required contribution.

The required contribution rates per plan members were as follows:

Years of service	Range of rates
20 or more – Retiree only	$93 to $220
20 or more – Retiree and spouse and/or dependents	$258 to $827
15 to 20 – Retiree only	$93 to $220
15 to 20 – Retiree and spouse and/or dependents	$380 to $1,380
10 to 15 – Retiree only	$286 to $678
10 to 15 – Retiree and spouse and/or dependents	$573 to $1,838
Less than 10	Not eligible

Annual OPEB Cost and Net OPEB Obligation: The City's annual other postemployment benefit (OPEB) cost (expense) and net OPEB Obligation for the current year were as follows:

Annual required contribution	$ 14,405
Interest on net OPEB obligation	(512)
Adjustment to annual required contribution	1,116
Annual OPEB cost (expense)	15,009
Contributions made	(14,967)
Increase in net OPEB obligation	42
Net OPEB obligation, beginning of year	(24,353)
Net OPEB obligation, end of year	$(24,311)

Trend Information

Year Ended June 30	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2008	$ 17,041	166.49%	$(11,331)
2009	15,076	186.38	(24,353)
2010	15,009	99.72	(24,311)

Funded Status and Funding Progress: As of July 1, 2009, the most recent actuarial valuation date, the plan was 16 percent funded. The actuarial accrued liability for benefits was $207,301. The actuarial value of assets was $33,006, resulting in an unfunded actuarial accrued liability (UAAL) of $174,295. The covered payroll (annual payroll of active employees covered by the plan) was $332,162 and the ratio of the UAAL to the covered payroll was 54.10 percent.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

The schedule of funding progress, presented below, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ([b - a] / c)
01/01/07	$ -	$ 229,764	$ 229,764	-%	$ 275,955	83.26%
07/01/09	33,006	207,301	174,295	15.92	322,162	54.10

Schedule of Employer Contributions

Year Ended June 30	Annual Required Contribution	Percentage Contributed
2008	$ 17,041	166.49%
2009	14,405	195.06
2010	14,405	103.90

Actuarial Methods and Assumptions: Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

Additional information follows:

Actuarial valuation date	07/01/09
Actuarial cost method	Projected Unit Credit
Asset valuation method	Market Value
Actuarial assumptions:	
Investment rate of return	7.75%
Projected salary increases	4.50%
Annual healthcare cost trend rate	8.50 to 5.00% (year of ultimate trend rate 2015)
Includes inflation at	4.50%
Amortization method	Level percentage of projected payroll, closed
Remaining amortization period	28 years

g. Deferred Compensation Plan

The City offers its 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.

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, 2010 follows:

Land	$ 255,206
Buildings	600,532
Runways	332,951
Improvements other than buildings	79,909
Machinery and equipment	19,896
Total	1,288,494
Less accumulated depreciation	460,104
Total	$ 828,390

The following is a schedule of minimum future rental income on noncancelable operating leases subsequent to June 30, 2010:

2011	$ 39,165
2012	39,284
2013	39,404
2014	39,525
2015	39,647
2016-2020	59,792
2021-2025	37,526
2026-2028	140,808
Total minumum future rental income	$ 435,151

Of the $435,151 minimum future rental income on noncancelable operating leases, $314,512 relates to agreements with US Airways, Inc. See Note 6.g. for additional information related to US Airways, Inc.

Contingent rentals that may be received under certain leases based on the tenant's revenues, fuel flow or usage are not included above. Contingent rentals of approximately $40,615 were received during the year ended June 30, 2010.

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 and are restricted to use on FAA approved projects. The Airport has been authorized to collect PFC in the aggregate amount of $875,474. Collections during fiscal year 2010 were $48,088 and aggregate collections from inception through June 30, 2010 were $248,345.

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 $275 per year per person. 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 life insurance for employees in the amount of two times the employees' salary up to a maximum of $100. Employees may purchase additional life insurance up to a maximum of four times their salary.

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
2010	$ 7,185	$ 65,492	$ (65,178)	$ 7,499
2009	6,754	64,692	(64,261)	7,185

At June 30, 2010, the EHLIF held $6,585 in cash and 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 City buses; excess workers' compensation; excess vehicle and general liability; police professional liability; police helicopter liability and property damage; airport liability, City bus liability, railroad protective liability, passenger railway liability for the light rail train operations and property insurance on the light rail vehicles. 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 $1,000, property damage claims in excess of $500 and flood insurance $100,000 in all flood zones, except $5,000 in flood zone A in excess of federal flood program maximums. The finance officer is bonded for $100. Employees who handle funds or have access to inventories are bonded under a blanket bond for $250. Settled claims have not exceeded insurance coverage in the past three years. The actuarially determined losses for the remaining risks and deductible amounts are funded in the RMF. 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, 2010, $4,832 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 $39,355 reported in the RMF at June 30, 2010, 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
2010	$ 39,812	$ 16,812	$ (17,269)	$ 39,355
2009	29,893	25,610	(15,691)	39,812

At June 30, 2010, the RMF held $50,406 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 a 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 has filed an agreement with the Internal Revenue Service to reallocate proceeds of the September 2004 Airport Revenue Bonds. The request is under consideration but has not been finalized as of the date of this report.

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 $466 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 clean-up 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.

Authorized capital projects at June 30, 2010, are comprised of the following by fund:

	Project Authorization	Expended	Unexpended
Governmental-			
Capital Projects	$ 1,916,362	$ 1,447,911	$ 468,451
Enterprise-			
Water and Sewer	2,344,756	1,524,083	820,673
Storm Water	345,145	247,497	97,648
Airport	842,783	677,699	165,084
Public Transit	865,297	767,762	97,535
Total Enterprise	4,397,981	3,217,041	1,180,940
Total	$ 6,314,343	$ 4,664,952	$ 1,649,391

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

The City has construction and other contractual commitments at June 30, 2010, as follows by fund:

Governmental-	
General	$ 325
Capital Projects	91,158
Nonmajor governmental	30,971
Total Governmental	122,454
Enterprise-	
Water and Sewer	89,321
Storm Water	22,504
Airport	38,801
Public Transit	41,182
Total Enterprise	191,808
Total	$ 314,262

The City has operating lease commitments for land and office space with future rentals under these leases at June 30, 2010, as shown below:

Year	Amount
2011	$ 2,937
2012	2,294
2013	1,714
2014	1,045
2015	744
2016-2029	2,595
	$ 11,329

Related lease expense was approximately $3,266 in 2010.

Under Municipal Agreements with the North Carolina Department of Transportation, the City has obligations to share the cost of certain street and highway construction or improvements in the Charlotte area. As of June 30, 2010, the City's estimated obligation for future costs under these agreements was approximately $549.

The City has obligations issued to local financial institutions, in the form of "master notes," to evidence borrowings for mortgage loan programs in redevelopment areas. The obligations are collateralized by and payable solely from program revenues and therefore do not represent a claim against the revenues of the City. Funds are advanced under the notes, up to the face amounts thereof, as required to fund qualifying mortgage loans.

The amounts authorized and outstanding by loan program at June 30, 2010, are as follows:

Loan Program	Purpose	Amount Authorized	Amount Outstanding
Third/Fourth Ward	Residential	$44,000	$ -
Five Points	Residential	1,850	3
Uptown	Residential	21,000	-

The City has issued $10,165 in Mortgage Revenue Bonds, Series 1983A to fund an FHA-insured mortgage loan for acquisition and rehabilitation of a multi-family housing project. The City also has issued $5,045 in Mortgage Revenue Bonds, Series 1983B to establish a residential mortgage loan program to finance the acquisition, construction and rehabilitation of residences in a redevelopment area. These obligations are payable exclusively from the income, proceeds and revenues of the project. In 1993 Series 1983A was refunded at $9,000 with final maturity in 2026 and Series 1983B was refunded at $4,935 with final maturity in 2025.

e. NASCAR Hall of Fame

On March 8, 2006, the City of Charlotte, Charlotte Regional Visitors Authority (Authority), and NASCAR Inc. entered into an agreement to “establish a museum and hall of fame facility to be known as the NASCAR Hall of Fame” to commemorate competitive stock car and stock truck racing and its founders, participants, fans and industry contributors. The facility is wholly owned by the City of Charlotte and operated by the Authority. The NASCAR Hall of Fame opened in May 2010.

The $189.0 million project is funded through a number of sources: $134.5 million installment purchases to be repaid from the new two percent Occupancy Tax, $36.5 million from private bank loans to be repaid from State donated land sales and private donations (no recourse to the City) and $30.3 million from installment purchases to be repaid by the Convention Center Tax Special Revenue Fund. In addition, the Convention Center Tax Special Revenue Fund is financing a $6.0 million pedestrian bridge and a $6.3 million modification to accommodate light rail. A 2,500 seat convention center ballroom was built on site and connects to the main convention center and Hall of Fame.

NASCAR Inc. participated with a developer for the construction of an office tower and parking deck on the site of the Hall of Fame to house local NASCAR operations. NASCAR has an option to purchase at the market rate, a parcel adjacent to the property for future development.

f. Arena

During 2003 the City entered into several agreements related to the construction of a new arena and the awarding of a National Basketball Association (NBA) expansion team to Charlotte. The agreements are with various parties including the National Basketball, RLJ Basketball, LLC, RLJ Arena Operations, LLC and the Charlotte Regional Visitors Authority (Authority). The Arena opened in October 2005.

The City funded the cost of the arena project, including land, through (1) the issuance of installment financing obligations that will be supported solely by revenues derived from the hotel/motel tax levied as authorized by North Carolina State law and the three percent rental car tax; (2) funds provided by corporate underwriters; (3) funds from the sales of assets; and (4) other funding sources currently available to the City and the Authority. The corporate underwriters provided $100.0 million consisting of $50.0 by various corporations for the purchase of City assets and an additional $50.0 million of which $10.0 million is a corporate community contribution, $16.8 million is to be repaid by the City, and $23.2 million is to be repaid by the Team. As of June 30, 2010, $55.6 million of City assets had been purchased by various corporations. The City issued a $16.8 million installment purchase contract which provides for repayment of the corporate underwriters during 2005 through 2015. In addition, the City issued $177.9 million of installment purchase contracts to acquire land and fund construction costs.

The City is the sole owner of the arena and the arena site. During the twenty-five year term of the agreement with the Team, the City and the Team shall each make an annual contribution to a capital reserve fund of $250 beginning in 2007 and increasing five percent per year to a maximum of $500 per year. Capital expenses in excess of the amount in the capital reserve fund will be the responsibility of the City. The Team will be obligated to play all home games in the arena. If the Team violates this agreement, the City will be entitled to liquidated damages in varying amounts depending upon the number of years remaining under the agreement.

The Team will operate the Arena for twenty-five years and have one five year extension option. The Team will be entitled to all revenues including operations, naming rights, advertising and broadcasting. The Team will be responsible for operating expenses including maintenance and operating losses. The Authority will also provide certain “back of house” operations including maintenance and event preparation and will be compensated by the Team for these services. The Authority will also provide food and beverage services at the arena and pay the Team a percentage of the gross revenues.

g. US Airways

US Airways, Inc. (US Airways), a wholly owned subsidiary of US Airways Group, Inc., is the major passenger airline serving Charlotte/Douglas International Airport (Airport). For the fiscal year ended June 30, 2010, US Airways and its affiliates provided 24.73 percent of the Airport’s operating revenues.

US Airways conducts its passenger air carrier operations at the Airport pursuant to several agreements, the most significant of which is the City of Charlotte’s 1985 Airport Agreements and Lease (Airport Agreement), which has also been executed by American Airlines, Continental Airlines, Delta Air Lines, Northwest Airlines, and United Airline (collectively, the Signatory Airlines). Pursuant to the Airport 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 and terminal improvements.

As of June 30, 2010, the City had $601,665 of GARBS outstanding, the proceeds of which were used for airfield and terminal improvements. The GARBS are not general obligations of the City and are payable solely from revenues generated by the City in the airfield and terminal. The City has $35,446 in reserve to pay principal and interest on GARBS.

In addition to the GARBS, the City has also issued Special Facility Revenue Bonds to finance the construction of crew training, airfield maintenance and other Airport facilities (Special Facilities) that are leased to US Airways by the City. As rental for the Special Facilities, US Airways is obligated to pay directly to the City a Ground Rental and an Airport Service Fee Rental. In addition, US Airways is obligated to pay directly to a Trustee for the benefit of bondholders a facility rental (Special Facilities Debt Service Rental) in an amount equal to the annual installments of principal and interest on the Special Facility Revenue Bonds. The Special Facilities Debt Service Rental is not a general obligation of the City. If US Airways fails to pay the Special Facilities Debt Service Rentals, the City is obligated to use reasonable efforts to re-let the Special Facilities to another tenant and apply the debt service rentals from such re-letting to the payment of the principal and interest on the Special Facility Revenue Bonds. The City is not obligated to make any payments relating to the Special Facilities or the Special Facility Revenue Bonds except for such debt service rentals as it receives from the tenant of the Special Facilities. As of June 30, 2010, there was $120,700 of Special Facility Revenue Bonds outstanding. The Special Facility Revenue Bonds provide for the semi-annual payment of interest with a lump-sum payment of principal on the maturity date of the bonds. The Special Facility Revenue Bonds mature on July 1, 2027 and February 1, 2028.

THIS PAGE INTENTIONALLY BLANK.

Financial Section—
Combining and Individual Fund Statements and Schedules

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 – This fund accounts for room occupancy and prepared food and beverage tax revenues to be used for convention and tourism purposes. Monies received are used for debt service, maintenance and operation of convention center facilities and to promote tourism.

Tourism Fund – This fund accounts for room occupancy and other tax revenues to be used for tourism purposes.

Hall of Fame Tax Fund – This fund accounts for room occupancy tax and private contribution revenues to be used for the NASCAR Hall of Fame.

Cultural Facilities Fund – This fund accounts for revenues to be used for cultural facilities.

Municipal Services District Fund – This fund accounts for activities which enhance economic vitality and quality of life within the designated Municipal Services Districts. These activities are financed by a property tax on property within the designated districts.

Public Safety Grants Fund – This fund accounts for public safety activities, including police, fire and emergency management, which are funded primarily by federal and state grants.

Neighborhood Development Fund – This fund accounts for neighborhood activities which develop viable urban communities providing adequate housing and economic opportunities, principally for persons of low and moderate income. This program is financed primarily by federal grants.

Employment and Training Fund – This fund accounts for activities providing comprehensive employment and training services to enable individuals to secure and retain employment at their maximum capacity. The Workforce Investment Act funds this program.

Stimulus Grants Fund – This fund accounts for governmental-type activities which are funded by American Recovery and Reinvestment Act (ARRA) grants.

State Street Aid Fund – This fund accounts for motor fuel taxes distributed by the State on the basis of local street mileage and population. The funds are specifically for maintenance, repair and construction of streets and highways.

Emergency Communications Fund – This fund accounts for revenues remitted by the NC911 Board from service charges imposed on voice communications service connections to fund 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 – This fund accounts for monies held by the City for cemetery maintenance.

CITY OF CHARLOTTE, NORTH CAROLINA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2010
(In Thousands)

	Convention Center Tax	Tourism	Hall of Fame Tax	Cultural Facilities	Municipal Services District	Public Safety Grants
ASSETS						
Cash and cash equivalents	$ 44,516	$ 24,054	$ 11,493	$ 19,194	$ 302	$ 1
Receivables, net:						
Property taxes	-	-	-	-	101	-
Accounts	-	44	-	-	-	-
Other	-	42	-	238	8	-
Total receivables	-	86	-	238	109	-
Due from other governmental agencies	2,560	682	640	-	-	8,115
Notes receivable	-	-	-	-	-	-
Total assets	$ 47,076	$ 24,822	$ 12,133	$ 19,432	$ 411	$ 8,116
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	$ -	$ -	$ -	$ -	$ 101	$ 426
Deposits and retainage payable	-	8	-	-	-	-
Due to other funds	-	-	-	-	-	1,402
Due to component unit	1,289	-	-	-	-	-
Deferred revenues	-	44	-	238	109	986
Total liabilities	1,289	52	-	238	210	2,814
Fund balances:						
Reserved for-						
Encumbrances	-	-	-	-	-	-
Loans	-	-	-	-	-	-
Perpetual care	-	-	-	-	-	-
Unreserved	45,787	24,770	12,133	19,194	201	5,302
Total fund balances	45,787	24,770	12,133	19,194	201	5,302
Total liabilities and fund balances	$ 47,076	$ 24,822	$ 12,133	$ 19,432	$ 411	$ 8,116

Special Revenue Funds						Permanent Fund	Total
Neighborhood Development	Employment and Training	Stimulus Grants	State Street Aid	Emergency Communications	Total	Perpetual Care	Nonmajor Governmental Funds
$ 2,524	$ -	$ 1,853	$ 16,993	$ 10,558	$ 131,488	$ 3,111	$ 134,599
-	-	-	-	-	101	-	101
-	-	-	-	-	44	-	44
-	-	-	8	-	296	10	306
-	-	-	8	-	441	10	451
3,623	2,003	2,131	143	413	20,310	-	20,310
51,595	-	-	-	-	51,595	-	51,595
$ 57,742	$ 2,003	$ 3,984	$ 17,144	$ 10,971	$ 203,834	$ 3,121	$ 206,955
$ 1,290	$ 254	$ 674	$ 1,243	$ 24	$ 4,012	$ -	$ 4,012
474	-	83	138	-	703	-	703
-	1,749	-	-	-	3,151	-	3,151
-	-	-	-	-	1,289	-	1,289
51,709	-	3,181	8	-	56,275	-	56,275
53,473	2,003	3,938	1,389	24	65,430	-	65,430
-	-	-	12,850	-	12,850	-	12,850
2,721	-	-	-	-	2,721	-	2,721
-	-	-	-	-	-	3,121	3,121
1,548	-	46	2,905	10,947	122,833	-	122,833
4,269	-	46	15,755	10,947	138,404	3,121	141,525
$ 57,742	$ 2,003	$ 3,984	$ 17,144	$ 10,971	$ 203,834	$ 3,121	$ 206,955

CITY OF CHARLOTTE, NORTH CAROLINA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2010
(In Thousands)

	Convention Center Tax	Tourism	Hall of Fame Tax	Cultural Facilities	Municipal Services District	Public Safety Grants
REVENUES:						
Property taxes	$ -	$ -	$ -	$ -	$ 3,518	$ -
Other taxes	30,368	7,378	7,068	-	-	-
Intergovernmental	-	-	-	1,624	-	7,254
Licenses, fees and fines	-	62	-	-	-	-
Investment earnings	902	484	454	379	(3)	64
Miscellaneous	-	944	-	-	-	1,757
Total revenues	31,270	8,868	7,522	2,003	3,515	9,075
EXPENDITURES:						
Current-						
Public safety	-	-	-	-	-	9,154
General administration	-	-	-	-	-	-
Engineering and property management	-	-	-	-	-	-
Streets and highways	-	-	-	-	-	-
Culture and recreation	17,704	94	-	-	-	-
Community planning and development	-	-	-	-	3,431	-
Total expenditures	17,704	94	-	-	3,431	9,154
Excess (deficiency) of revenues over (under) expenditures	13,566	8,774	7,522	2,003	84	(79)
OTHER FINANCING SOURCES (USES):						
Sales of capital assets	-	-	-	-	-	-
Transfers in-						
General	-	-	-	550	-	-
Debt service	-	-	-	101	-	-
Capital projects	-	-	-	5,563	-	-
Total transfers in	-	-	-	6,214	-	-
Transfers out-						
General	(2,064)	-	-	-	-	-
Debt service	(20,330)	(7,884)	(18,910)	(4,947)	-	-
Capital projects	-	(1,158)	-	-	-	-
Total transfers out	(22,394)	(9,042)	(18,910)	(4,947)	-	-
Total other financing sources (uses)	(22,394)	(9,042)	(18,910)	1,267	-	-
Net change in fund balances	(8,828)	(268)	(11,388)	3,270	84	(79)
Fund balances - beginning	54,615	25,038	23,521	15,924	117	5,381
Fund balances - ending	$ 45,787	$ 24,770	$ 12,133	$ 19,194	$ 201	$ 5,302

Special Revenue Funds						Permanent Fund	Total
Neighborhood Development	Employment and Training	Stimulus Grants	State Street Aid	Emergency Communications	Total	Perpetual Care	Nonmajor Governmental Funds
$ -	$ -	$ -	$ -	$ -	$ 3,518	$ -	$ 3,518
-	-	-	-	-	44,814	-	44,814
15,326	5,544	9,926	17,311	4,956	61,941	-	61,941
-	-	-	837	-	899	-	899
21	-	46	444	193	2,984	49	3,033
1,434	-	-	-	-	4,135	-	4,135
16,781	5,544	9,972	18,592	5,149	118,291	49	118,340
-	-	3,640	-	1,933	14,727	-	14,727
1,296	398	22	-	-	1,716	-	1,716
-	-	245	-	-	245	-	245
-	-	2,019	25,909	-	27,928	-	27,928
-	-	-	-	-	17,798	-	17,798
15,080	5,146	4,000	-	-	27,657	-	27,657
16,376	5,544	9,926	25,909	1,933	90,071	-	90,071
405	-	46	(7,317)	3,216	28,220	49	28,269
315	-	-	160	-	475	-	475
-	-	-	4,261	-	4,811	-	4,811
-	-	-	-	-	101	-	101
775	-	-	-	-	6,338	-	6,338
775	-	-	4,261	-	11,250	-	11,250
-	-	-	(1,434)	(1)	(3,499)	(57)	(3,556)
-	-	-	(1,376)	-	(53,447)	-	(53,447)
-	-	-	-	-	(1,158)	-	(1,158)
-	-	-	(2,810)	(1)	(58,104)	(57)	(58,161)
1,090	-	-	1,611	(1)	(46,379)	(57)	(46,436)
1,495	-	46	(5,706)	3,215	(18,159)	(8)	(18,167)
2,774	-	-	21,461	7,732	156,563	3,129	159,692
$ 4,269	$ -	$ 46	$ 15,755	$ 10,947	$ 138,404	$ 3,121	$ 141,525

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, 2010
(In Thousands)

	Convention Center Tax			Tourism		
	Budget	Actual	Variance-Positive (Negative)	Budget	Actual	Variance-Positive (Negative)
REVENUES:						
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -
Other taxes	31,584	30,368	(1,216)	8,199	7,378	(821)
Intergovernmental	-	-	-	-	-	-
Licenses, fees and fines	-	-	-	-	62	62
Investment earnings	953	902	(51)	391	484	93
Miscellaneous	-	-	-	859	944	85
Total revenues	32,537	31,270	(1,267)	9,449	8,868	(581)
EXPENDITURES:						
Current-						
General administration	75	-	75	-	-	-
Streets and highways	-	-	-	-	-	-
Culture and recreation	18,148	17,704	444	150	94	56
Community planning and development	-	-	-	-	-	-
Total expenditures	18,223	17,704	519	150	94	56
Excess (deficiency) of revenues over (under) expenditures	14,314	13,566	(748)	9,299	8,774	(525)
OTHER FINANCING SOURCES (USES):						
Sales of capital assets	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	(23,276)	(22,394)	882	(9,042)	(9,042)	-
Total other financing sources (uses)	(23,276)	(22,394)	882	(9,042)	(9,042)	-
Revenues and other sources over (under) expenditures and other uses	$ (8,962)	(8,828)	$ 134	$ 257	(268)	$ (525)
RECONCILIATION TO GAAP BASIS:						
Current year encumbrances		-			-	
Net change in fund balances		(8,828)			(268)	
Fund balances - beginning (annually budgeted funds)		54,615			25,038	
Fund balances - ending (annually budgeted funds)		$ 45,787			$ 24,770	
Project funds:						
Fund balances - beginning						
Net change in fund balances						
Fund balances - ending						
Fund balances - ending						

Hall of Fame Tax			Cultural Facilities			Municipal Services District		
Budget	Actual	Variance-Positive (Negative)	Budget	Actual	Variance-Positive (Negative)	Budget	Actual	Variance-Positive (Negative)
$ -	$ -	$ -	$ -	$ -	$ -	$ 3,356	$ 3,518	$ 162
7,599	7,068	(531)	-	-	-	-	-	-
-	-	-	-	1,624	1,624	-	-	-
-	-	-	-	-	-	-	-	-
383	454	71	183	379	196	-	(3)	(3)
-	-	-	-	-	-	-	-	-
7,982	7,522	(460)	183	2,003	1,820	3,356	3,515	159
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	3,456	3,431	25
-	-	-	-	-	-	3,456	3,431	25
7,982	7,522	(460)	183	2,003	1,820	(100)	84	184
-	-	-	-	-	-	-	-	-
-	-	-	7,139	6,214	(925)	-	-	-
(19,668)	(18,910)	758	(4,947)	(4,947)	-	-	-	-
(19,668)	(18,910)	758	2,192	1,267	(925)	-	-	-
$ (11,686)	(11,388)	$ 298	$ 2,375	3,270	$ 895	$ (100)	84	$ 184
	-			-			-	
	(11,388)			3,270			84	
	23,521			15,924			117	
	$ 12,133			$ 19,194			$ 201	

Continued on next page

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, 2010
(In Thousands)

	State Street Aid		
	Budget	Actual	Variance-Positive (Negative)
REVENUES:			
Property taxes	$ -	$ -	$ -
Other taxes	-	-	-
Intergovernmental	16,967	17,311	344
Licenses, fees and fines	600	837	237
Investment earnings	391	444	53
Miscellaneous	-	-	-
Total revenues	17,958	18,592	634
EXPENDITURES:			
Current-			
General administration	-	-	-
Streets and highways	38,980	38,758	222
Culture and recreation	-	-	-
Community planning and development	-	-	-
Total expenditures	38,980	38,758	222
Excess (deficiency) of revenues over (under) expenditures	(21,022)	(20,166)	856
OTHER FINANCING SOURCES (USES):			
Sales of capital assets	-	160	160
Transfers in	4,261	4,261	-
Transfers out	(2,862)	(2,810)	52
Total other financing sources (uses)	1,399	1,611	212
Revenues and other sources over (under) expenditures and other uses	$ (19,623)	(18,555)	$ 1,068
RECONCILIATION TO GAAP BASIS:			
Current year encumbrances		12,849	
Net change in fund balances		(5,706)	
Fund balances - beginning (annually budgeted funds)		21,461	
Fund balances - ending (annually budgeted funds)		$ 15,755	
Project funds:			
Fund balances - beginning			
Net change in fund balances			
Fund balances - ending			
Fund balances - ending			

Total		
Budget	Actual	Variance-Positive (Negative)
$ 3,356	$ 3,518	$ 162
47,382	44,814	(2,568)
16,967	18,935	1,968
600	899	299
2,301	2,660	359
859	944	85
71,465	71,770	305
75	-	75
38,980	38,758	222
18,298	17,798	500
3,456	3,431	25
60,809	59,987	822
10,656	11,783	1,127
-	160	160
11,400	10,475	(925)
(59,795)	(58,103)	1,692
(48,395)	(47,468)	927
$ (37,739)	(35,685)	$ 2,054
	12,849	
	(22,836)	
	140,676	
	117,840	
	15,887	
	4,677	
	20,564	
	$ 138,404	

CITY OF CHARLOTTE, NORTH CAROLINA
PUBLIC SAFETY GRANTS FUND
SCHEDULE OF EXPENDITURES COMPARED WITH AUTHORIZATIONS
FOR THE YEAR ENDED JUNE 30, 2010
(In Thousands)

		Expenditures			
	Authorizations	Current Year	Prior Years	Total	Unexpended Authorizations
Federal:					
Assistance to Firefighters	$ 865	$ -	$ 743	$ 743	$ 122
Federal Gang of One	1,163	536	244	780	383
Bulletproof Vest Partnership	6	-	6	6	-
Public Safety Partnership and Community Policing	4,167	452	292	744	3,423
Forensic DNA Backlog Reduction	995	172	332	504	491
Federal pass through:					
State Medical Assistance	440	85	351	436	4
Homeland Security	9,138	1,714	7,379	9,093	45
Airborne Rescue	141	-	137	137	4
Urban Areas Security Initiative	24,250	2,000	14,022	16,022	8,228
Metropolitan Medical Response System	891	249	2	251	640
Helicopter - Aquatic Rescue Team	110	9	7	16	94
Urban Search and Rescue	850	209	123	332	518
Regional Response Team	650	181	99	280	370
Buffer Zone Protection Plan	366	264	-	264	102
GangNet - Replication	491	1	458	459	32
Community at Risk Children	60	-	53	53	7
Enderly Park Grant	24	21	-	21	3
Gang of One Programs	1,279	58	282	340	939
Coverdell Forensic Science Improvement	137	44	35	79	58
Light Tower	16	-	15	15	1
Collision and Fatality Measures	62	-	55	55	7
Emergency Management Plan	278	24	51	75	203
Justice Assistance	3,097	1,148	1,163	2,311	786
Solving Cold Cases with DNA	197	84	33	117	80
State:					
Gang of One	188	16	96	112	76
State Medical Assistance	73	15	58	73	-
Asset forfeiture	4,180	1,461	1,405	2,866	1,314
Other public safety programs	2,661	411	1,795	2,206	455
Total public safety grants	$ 56,775	$ 9,154	$ 29,236	$ 38,390	$ 18,385

CITY OF CHARLOTTE, NORTH CAROLINA
NEIGHBORHOOD DEVELOPMENT FUND
SCHEDULE OF EXPENDITURES COMPARED WITH AUTHORIZATIONS
FOR THE YEAR ENDED JUNE 30, 2010
(In Thousands)

		Expenditures			
	Authorizations	Current Year	Prior Years	Total	Unexpended Authorizations
Federal:					
Community Development Block Grants	$ 14,424	$ 5,443	$ 7,036	$ 12,479	$ 1,945
Emergency Shelter	413	197	206	403	10
HOME Investment Partnerships Program	11,055	4,576	2,717	7,293	3,762
Housing Opportunities For Persons With AIDS	2,011	544	367	911	1,100
National Stabilization Program	5,432	2,888	20	2,908	2,524
Lead-Based Paint Hazards	3,000	561	2,438	2,999	1
Federal pass through:					
Housing Rehabilitation Program	400	52	124	176	224
Weed and Seed	292	120	79	199	93
State Neighborhood Stabilization Program	2,625	672	-	672	1,953
State:					
Housing Urgent Repair Program	150	11	52	63	87
One NC Grant	2,495	150	-	150	2,345
Local:					
Property Acquisitions for Housing	733	234	142	376	357
Wingate Community	1,145	180	929	1,109	36
Other	3,165	748	732	1,480	1,685
Total neighborhood development	$ 47,340	$ 16,376	$ 14,842	$ 31,218	$ 16,122

CITY OF CHARLOTTE, NORTH CAROLINA
EMPLOYMENT AND TRAINING FUND
SCHEDULE OF EXPENDITURES COMPARED WITH AUTHORIZATIONS
FOR THE YEAR ENDED JUNE 30, 2010
(In Thousands)

		Expenditures			
	Authorizations	Current Year	Prior Years	Total	Unexpended Authorizations
Workforce Investment Act	$ 13,620	$ 5,544	$ 4,192	$ 9,736	$ 3,884

CITY OF CHARLOTTE, NORTH CAROLINA
STIMULUS GRANTS FUND
SCHEDULE OF EXPENDITURES COMPARED WITH AUTHORIZATIONS
FOR THE YEAR ENDED JUNE 30, 2010
(In Thousands)

		Expenditures			
	Authorizations	Current Year	Prior Years	Total	Unexpended Authorizations
Federal:					
Community Development Block Grant	$ 1,262	$ -	$ -	$ -	$ 1,262
Homelessness Prevention and Rapid Re-Housing	1,930	256	-	256	1,674
Lead-Based Paint Hazards	3,000	515	-	515	2,485
COPS Hiring Recovery Program	8,546	2,006	-	2,006	6,540
Energy Efficiency and Conversation	6,780	272	-	272	6,508
Federal pass through:					
NC GangNet - Replication	335	247	-	247	88
Justice Assistance	4,499	1,302	-	1,302	3,197
Recovery Act Grant	484	85	-	85	399
Intelligent Transportation Systems Expansion	4,000	1,433	-	1,433	2,567
Pedestrian Traffic Signals	800	314	-	314	486
Shasta Lane Sidewalk	485	272	-	272	213
Workforce Investment Act	4,510	3,224	402	3,626	884
Total stimulus grants	$ 36,631	$ 9,926	$ 402	$ 10,328	$ 26,303

CITY OF CHARLOTTE, NORTH CAROLINA
EMERGENCY COMMUNICATIONS FUND
SCHEDULE OF EXPENDITURES COMPARED WITH AUTHORIZATIONS
FOR THE YEAR ENDED JUNE 30, 2010
(In Thousands)

		Expenditures			
	Authorizations	Current Year	Prior Year	Total	Unexpended Authorizations
Police communications	$ 4,713	$ 1,383	$ 2,356	$ 3,739	$ 974
Fire communications	3,827	550	436	986	2,841
Total emergency communications	$ 8,540	$ 1,933	$ 2,792	$ 4,725	$ 3,815

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.

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, 2010
(In Thousands)

	Budget	Actual	Variance-Positive (Negative)
REVENUES:			
Property tax	$ 51,162	$ 52,837	$ 1,675
Other taxes-			
Sales tax	11,658	10,249	(1,409)
Heavy equipment	-	23	23
Total other	11,658	10,272	(1,386)
Intergovernmental-			
Mecklenburg County:			
ABC Board contribution	563	657	94
Debt service contributions	708	708	-
Total intergovernmental	1,271	1,365	94
Licenses, fees and fines	46	67	21
Investment earnings	2,645	4,098	1,453
Private contributions	1,811	1,811	-
Miscellaneous	160	320	160
Total revenues	68,753	70,770	2,017
EXPENDITURES:			
Bonds-			
Principal retirement	32,502	32,496	6
Interest	21,136	21,136	-
Installment purchases-			
Principal retirement	36,270	36,270	-
Interest	35,954	35,663	291
Fiscal agents fees	13,111	10,358	2,753
Cost of bond sale	3,693	3,693	-
Other	50	50	-
Total expenditures	142,716	139,666	3,050
Revenues (under) expenditures	(73,963)	(68,896)	5,067

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, 2010
(In Thousands)

	Budget	Actual	Variance-Positive (Negative)
OTHER FINANCING SOURCES (USES):			
Installment purchases issued	$ 6,613	$ 1,130	$ (5,483)
Commercial paper issued	-	195	195
Refunding debt issued	393,552	393,509	(43)
Premium on debt issuance	25,092	25,092	-
Payment to refunded bond escrow agent	(425,542)	(425,542)	-
Transfers in-			
General	21,953	21,953	-
Capital projects	5,239	5,239	-
Special revenue:			
Convention Center tax	21,055	20,330	(725)
Tourism	7,884	7,884	-
Hall of Fame	19,668	18,910	(758)
Cultural facilities	4,947	4,947	-
State street aid	1,427	1,376	(51)
Total transfers in	82,173	80,639	(1,534)
Transfers out-			
General	97	97	-
Public Transit	6	6	-
Special revenue - Cultural facilities	244	101	143
Total transfers out	347	204	143
Total other financing sources (uses)	81,541	74,819	(6,722)
Net change in fund balance	$ 7,578	5,923	$ (1,655)
Fund balance - beginning, as previously reported		204,361	
Prior period adjustment (Note 1.d.8)		1,031	
Fund balance - ending		$ 211,315	

CITY OF CHARLOTTE, NORTH CAROLINA
CAPITAL PROJECTS FUND
SCHEDULE OF EXPENDITURES AND ENCUMBRANCES COMPARED WITH AUTHORIZATIONS
FOR THE YEAR ENDED JUNE 30, 2010
(In Thousands)

		Expenditures		
	Authorizations	Current Year	Prior Years	Total
Economic development	$ 237,519	$ 14,822	$ 126,858	$ 141,680
Streets and highways	596,013	57,451	278,763	336,214
Culture and recreation	642,835	116,186	497,118	613,304
General government	178,976	28,005	108,212	136,217
Public safety	89,799	22,157	50,364	72,521
Public housing	171,220	13,787	134,188	147,975
Total capital projects	$ 1,916,362	$ 252,408	$ 1,195,503	$ 1,447,911

Unexpended Authorizations	Encumbrances June 30, 2010	Unencumbered Authorizations June 30, 2010
$ 95,839	$ 15,466	$ 80,373
259,799	43,176	216,623
29,531	3,377	26,154
42,759	10,230	32,529
17,278	5,705	11,573
23,245	2,953	20,292
$ 468,451	$ 80,907	$ 387,544

THIS PAGE INTENTIONALLY BLANK.

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 – This fund accounts for the operation of Charlotte-Mecklenburg Utilities, provider of water and wastewater services.

Storm Water Fund – This fund accounts for the operation of Charlotte Storm Water Services, administrator of storm water programs and policies.

Airport Fund – This fund accounts for the operation of the Charlotte Douglas International Airport.

Public Transit Fund – This fund accounts for the operation of Charlotte Area Transit System, provider of community-wide public transportation services.

THIS PAGE INTENTIONALLY BLANK.

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, 2010
(In Thousands)

	Budget	Actual	Variance-Positive (Negative)
REVENUES:			
Water sales	$ 97,406	$ 94,864	$ (2,542)
Sewer services fees	147,046	145,534	(1,512)
Capacity fees	8,580	7,395	(1,185)
Other	4,137	4,720	583
Investment earnings	1,659	1,430	(229)
Total revenues	258,828	253,943	(4,885)
EXPENDITURES:			
Water supply and treatment	12,554	12,460	94
Sewer system and treatment	29,996	29,995	1
Administration and engineering	23,519	23,519	-
Field operations	27,187	27,186	1
Nondepartmental charges	7,124	7,124	-
Total expenditures	100,380	100,284	96
Revenues over expenditures	158,448	153,659	(4,789)
TRANSFERS IN:			
Water and Sewer Capital Projects	200	200	-
TRANSFERS OUT:			
Water and Sewer Debt Service	138,196	121,180	17,016
Water and Sewer Capital Projects	16,967	16,950	17
Total transfers out	155,163	138,130	17,033
Revenues and transfers over expenditures and transfers	$ 3,485	$ 15,729	$ 12,244

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, 2010
(In Thousands)

	Budget	Actual	Variance-Positive (Negative)
REVENUES:			
Investment earnings	$ 23	$ 889	$ 866
Installment purchases issued	85	-	(85)
Premium on debt issuance	23,244	23,244	-
Proceeds from commercial paper issued	-	3	3
Refunding bonds issued	203,765	203,765	-
Total revenues	227,117	227,901	784
EXPENDITURES:			
Bonds-			
Principal retirement	47,303	47,303	-
Interest	77,317	77,014	303
Other financing agreements-			
Principal retirement	11,152	10,922	230
Interest	1,685	1,584	101
Payment to refunded bond escrow agent	210,000	210,000	-
Bond issue expense	3,264	3,264	-
Other	2,658	2,200	458
Total expenditures	353,379	352,287	1,092
Revenues (under) expenditures	(126,262)	(124,386)	1,876
TRANSFERS IN:			
Water and Sewer Operating	138,196	121,180	(17,016)
Water and Sewer Capital Projects	1,192	1,192	-
Total transfers in	139,388	122,372	(17,016)
Revenues and transfers over (under) expenditures	$ 13,126	$ (2,014)	$ (15,140)

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, 2010
(In Thousands)

Revenues and transfers over (under) expenditures and transfers:	
Operating Fund	$ 15,729
Debt Service Fund	(2,014)
Investment earnings in the Capital Projects Fund	1,404
Current year encumbrances	3,133
Bond proceeds	6,235
Commercial paper issued	(3)
Debt principal retirement	59,247
Depreciation	(83,014)
Capital outlay	(2,874)
Capital contributions	14,608
Deferred charges	3,236
Amortization of deferred charges	(3,222)
Premium on debt issuance	(23,244)
Amortization of premium	3,661
Capitalized interest	8,184
Other	(893)
Net transfers to (from) Capital Projects Fund:	
Operating Fund	16,750
Debt Service Fund	(1,192)
Change in net assets	$ 15,731

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 AND ENCUMBRANCES COMPARED WITH AUTHORIZATIONS
FOR THE YEAR ENDED JUNE 30, 2010
(In Thousands)

		Expenditures		
	Authorizations	Current Year	Prior Years	Total
Water projects	$ 807,808	$ 45,837	$ 509,043	$ 554,880
Sewer projects	1,536,948	87,579	881,624	969,203
Total water and sewer capital projects	$ 2,344,756	$ 133,416	$ 1,390,667	$1,524,083

Unexpended Authorizations	Encumbrances June 30, 2010	Unencumbered Authorizations June 30, 2010
$ 252,928	$ 30,462	$ 222,466
567,745	46,893	520,852
$ 820,673	$ 77,355	$ 743,318

THIS PAGE INTENTIONALLY BLANK.

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, 2010
(In Thousands)

	Budget	Actual	Variance-Positive (Negative)
REVENUES:			
Storm water fees	$ 47,592	$ 45,757	$ (1,835)
Other	-	116	116
Investment earnings	759	265	(494)
Total revenues	48,351	46,138	(2,213)
EXPENDITURES:			
Storm water systems	13,343	10,543	2,800
Administration	1,663	1,663	-
Total expenditures	15,006	12,206	2,800
Revenues over expenditures	33,345	33,932	587
TRANSFERS OUT:			
Storm Water Capital Projects	25,880	25,880	-
Storm Water Debt Service	11,070	9,876	1,194
Total transfers out	36,950	35,756	1,194
Revenues (under) expenditures and transfers	$ (3,605)	$ (1,824)	$ 1,781

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, 2010
(In Thousands)

	Budget	Actual	Variance-Positive (Negative)
EXPENDITURES:			
Bonds-			
Principal retirement	$ 4,506	$ 4,506	$ -
Interest	6,534	6,516	18
Other	30	15	15
Total expenditures	11,070	11,037	33
TRANSFERS IN:			
Storm Water Operating	11,070	9,876	(1,194)
TRANSFERS OUT:			
Storm Water Capital Projects	31	31	-
Transfers (under) expenditures and transfers	$ (31)	$ (1,192)	$ (1,161)

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, 2010
(In Thousands)

Revenues and transfers (under) expenditures and transfers:	
Operating Fund	$ (1,824)
Debt Service Fund	(1,192)
Capital Projects Fund:	
Charges for services	25
Investment earnings	563
Current year encumbrances	322
Debt principal retirement	4,506
Depreciation	(3,344)
Capital contributions	6,881
Amortization of deferred charges	(204)
Amortization of premium	166
Capitalized interest	209
Other	2,243
Net transfers to Capital Projects Fund:	
Operating Fund	25,880
Debt Service Fund	31
Change in net assets	$ 34,262

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 AND ENCUMBRANCES COMPARED WITH AUTHORIZATIONS
FOR THE YEAR ENDED JUNE 30, 2010
(In Thousands)

		Expenditures		
	Authorizations	Current Year	Prior Years	Total
Flood control	$ 140,090	$ 10,266	$ 96,067	$ 106,333
Storm drain repair	73,380	8,096	51,133	59,229
Channel and other projects	131,675	8,332	73,603	81,935
Total storm water capital projects	$ 345,145	$ 26,694	$ 220,803	$ 247,497

Unexpended Authorizations	Encumbrances June 30, 2010	Unencumbered Authorizations June 30, 2010
$ 33,757	$ 8,461	$ 25,296
14,151	3,847	10,304
49,740	9,334	40,406
$ 97,648	$ 21,642	$ 76,006

THIS PAGE INTENTIONALLY BLANK.

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, 2010
(In Thousands)

	Budget	Actual	Variance-Positive (Negative)
REVENUES:			
Terminal area	$ 29,056	$ 25,222	$ (3,834)
Airfield	10,025	9,128	(897)
Concessions	36,913	35,848	(1,065)
Parking	37,100	34,663	(2,437)
Passenger facility charges	24,650	48,088	23,438
Contract facility charges	-	6,440	6,440
Other	26,759	22,742	(4,017)
Investment earnings	5,436	6,464	1,028
Total revenues	169,939	188,595	18,656
EXPENDITURES:			
Operating	83,865	73,580	10,285
Nonoperating	42,375	11,373	31,002
Total expenditures	126,240	84,953	41,287
Revenues over expenditures	43,699	103,642	59,943
TRANSFERS IN:			
Airport Debt Service	1,729	1,421	(308)
TRANSFERS OUT:			
Airport Debt Service	78,617	71,142	7,475
Airport Capital Projects	3,188	3,188	-
Total transfers out	81,805	74,330	7,475
Revenues and transfers over expenditures and transfers	$ (36,377)	$ 30,733	$ 67,110

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, 2010
(In Thousands)

	Budget	Actual	Variance-Positive (Negative)
REVENUES:			
Maintenance facility	$ 7,530	$ 7,670	$ 140
Premium on debt issuance	3,244	3,244	-
Revenue bonds issued	9,282	9,282	-
Proceeds from refunding	70,750	70,750	-
Investment earnings	907	(102)	(1,009)
Total revenues	91,713	90,844	(869)
EXPENDITURES:			
Bonds-			
Principal retirement	49,778	49,755	23
Interest	39,184	28,648	10,536
Payment to refunded bond escrow agent	70,893	70,893	-
Bond issue expense	2,356	2,356	-
Other	4,154	690	3,464
Total expenditures	166,365	152,342	14,023
Revenues (under) expenditures	(74,652)	(61,498)	13,154
TRANSFERS IN:			
Airport Operating	78,616	71,142	(7,474)
TRANSFERS OUT:			
Airport Operating	1,729	1,421	308
Revenues and transfers over expenditures and transfers	$ 2,235	$ 8,223	$ 5,988

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, 2010
(In Thousands)

Revenues and transfers over expenditures and transfers:	
Operating Fund	$ 30,733
Debt Service Fund	8,223
Investment earnings in the Capital Projects Fund	505
Current year encumbrances	9,624
Bond proceeds	(9,282)
Debt principal retirement	49,755
Depreciation	(32,311)
Capital outlay	401
Capital contributions	34,760
Deferred charges	2,356
Amortization of deferred charges	(1,929)
Premium on debt issuance	(3,244)
Amortization of premium	612
Capitalized interest	1,235
Other	(1,155)
Net transfers to Capital Projects Fund:	
Operating Fund	3,188
Change in net assets	$ 93,471

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 AND ENCUMBRANCES COMPARED WITH AUTHORIZATIONS
FOR THE YEAR ENDED JUNE 30, 2010
(In Thousands)

		Expenditures		
	Authorizations	Current Year	Prior Years	Total
Capital improvements	$ 373,931	$ 9,730	$ 298,326	$ 308,056
Airport expansion	440,105	69,346	285,295	354,641
Terminal construction	13,929	6,184	1,208	7,392
Airline maintenance facility	12,199	278	7,223	7,501
Capital equipment	2,619	109	-	109
Total airport capital projects	$ 842,783	$ 85,647	$ 592,052	$ 677,699

Unexpended Authorizations	Encumbrances June 30, 2010	Unencumbered Authorizations June 30, 2010
$ 65,875	$ 2,523	$ 63,352
85,464	18,825	66,639
6,537	4,863	1,674
4,698	17	4,681
2,510	-	2,510
$ 165,084	$ 26,228	$ 138,856

THIS PAGE INTENTIONALLY BLANK.

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, 2010
(In Thousands)

	Budget	Actual	Variance-Positive (Negative)
REVENUES:			
Passenger fares	$ 23,131	$ 20,281	$ (2,850)
Other operating	1,398	1,267	(131)
Sales tax	62,716	57,870	(4,846)
Intergovernmental	12,877	12,803	(74)
Other	900	488	(412)
Investment earnings	2,500	1,012	(1,488)
Total revenues	103,522	93,721	(9,801)
EXPENDITURES:			
Transit operations	85,640	81,794	3,846
Transit vehicle maintenance	13,999	12,625	1,374
Administration	18,161	9,468	8,693
Total expenditures	117,800	103,887	13,913
Revenues (under) expenditures	(14,278)	(10,166)	4,112
TRANSFERS IN:			
Capital Projects	18,400	18,400	-
Public Transit Capital Projects	794	794	-
Total transfers in	19,194	19,194	-
TRANSFERS OUT:			
Public Transit Capital Projects	22,171	22,171	-
Public Transit Debt Service	7,269	7,269	-
Total transfers out	29,440	29,440	-
Revenues and transfers (under) expenditures and transfers	$ (24,524)	$ (20,412)	$ 4,112

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, 2010
(In Thousands)

	Budget	Actual	Variance-Positive (Negative)
REVENUES:			
Grant contributions	$ 14,178	$ 7,720	$ (6,458)
Investment earnings	-	10	10
Total revenues	14,178	7,730	(6,448)
EXPENDITURES:			
Bonds-			
Principal retirement	5	5	-
Installment purchases-			
Principal retirement	7,156	7,150	6
Interest	8,360	7,728	632
Other	164	122	42
Total expenditures	15,685	15,005	680
Revenues (under) expenditures	(1,507)	(7,275)	(5,768)
TRANSFERS IN:			
Public Transit Operating	7,269	7,269	-
Debt service	6	6	-
Total transfers in	7,275	7,275	-
Revenues and transfers over expenditures	$ 5,768	$ -	$ (5,768)

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, 2010
(In Thousands)

Revenues and transfers (under) expenditures and transfers:	
Operating Fund	$ (20,412)
Investment earnings in the Capital Projects Fund	741
Current year encumbrances	1,853
Debt principal retirement	7,155
Depreciation	(38,587)
Capital outlay	2,512
Capital contributions	34,535
Amortization of deferred charges	(151)
Amortization of premium	134
Capitalized interest	21
Other	(9,407)
Net transfers to Capital Projects Fund:	
Operating Fund	21,377
Capital Projects	59
Change in net assets	$ (170)

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 AND ENCUMBRANCES COMPARED WITH AUTHORIZATIONS
FOR THE YEAR ENDED JUNE 30, 2010
(In Thousands)

		Expenditures		
	Authorizations	Current Year	Prior Years	Total
Buses and vehicles	$ 155,918	$ 22,549	$ 122,677	$ 145,226
Planning and consulting	137,543	11,021	96,547	107,568
Facilities	196,069	14,357	136,034	150,391
Technology	8,193	696	6,425	7,121
Passenger amenities	3,138	249	1,863	2,112
Services expansion	364,436	4,211	351,133	355,344
Total public transit capital projects	$ 865,297	$ 53,083	$ 714,679	$ 767,762

Unexpended Authorizations	Encumbrances June 30, 2010	Unencumbered Authorizations June 30, 2010
$ 10,692	$ 5,239	$ 5,453
29,975	15,802	14,173
45,678	14,549	31,129
1,072	441	631
1,026	328	698
9,092	1,454	7,638
$ 97,535	$ 37,813	$ 59,722

THIS PAGE INTENTIONALLY BLANK.

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 – This 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 – This 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 ASSETS
JUNE 30, 2010
(In Thousands)

	Risk Management	Employee Health and Life	Total
ASSETS			
Current assets:			
Cash and cash equivalents	$ 50,406	$ 6,585	$ 56,991
Receivables - other	507	67	574
Due from other funds	-	638	638
Prepaid insurance	-	209	209
Total current assets	50,913	7,499	58,412
Capital assets:			
Machinery and equipment	159	-	159
Less accumulated depreciation	146	-	146
Total capital assets, net	13	-	13
Total assets	50,926	7,499	58,425
LIABILITIES			
Current liabilities:			
Claims payable	39,355	7,499	46,854
Noncurrent liabilities:			
Due to participants	4,832	-	4,832
Compensated absences payable	150	-	150
Total noncurrent liabilities	4,982	-	4,982
Total liabilities	44,337	7,499	51,836
NET ASSETS			
Invested in capital assets	13	-	13
Unrestricted	6,576	-	6,576
Total net assets	$ 6,589	$ -	$ 6,589

CITY OF CHARLOTTE, NORTH CAROLINA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2010
(In Thousands)

	Risk Management	Employee Health and Life	Total
OPERATING REVENUES:			
Charges for services-			
Risk management and safety fees	$ 2,749	$ 4,458	$ 7,207
Claims:			
Employer	10,778	37,083	47,861
Employee	-	14,454	14,454
Other	-	84	84
Total claims	10,778	51,621	62,399
Premiums	4,703	5,788	10,491
Reimbursement from trust	-	16,339	16,339
Total operating revenues	18,230	78,206	96,436
OPERATING EXPENSES:			
Administration	2,740	4,458	7,198
Claims	13,079	65,111	78,190
Insurance premiums	4,792	5,788	10,580
Depreciation	2	-	2
Total operating expenses	20,613	75,357	95,970
Operating income (loss)	(2,383)	2,849	466
NONOPERATING REVENUES:			
Investment earnings	581	284	865
Change in net assets	(1,802)	3,133	1,331
Total net assets - beginning	8,391	(3,133)	5,258
Total net assets - ending	$ 6,589	$ -	$ 6,589

CITY OF CHARLOTTE, NORTH CAROLINA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2010
(In Thousands)

	Risk Management	Employee Health and Life	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from participants	$ 11,819	$ 20,326	$ 32,145
Payments to suppliers	(1,214)	(4,242)	(5,456)
Internal activity - receipts from other funds	17,035	41,416	58,451
Receipts from trust	-	16,339	16,339
Payments to employees	(1,478)	-	(1,478)
Payments for claims	(17,269)	(65,178)	(82,447)
Payments for premiums	(7,815)	(5,832)	(13,647)
Net cash provided by operating activities	1,078	2,829	3,907
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest received	941	381	1,322
Net increase in cash and cash equivalents	2,019	3,210	5,229
Cash and cash equivalents - beginning of year	48,387	3,375	51,762
Cash and cash equivalents - end of year	$ 50,406	$ 6,585	$ 56,991
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:			
Operating income (loss)	$ (2,383)	$ 2,849	$ 466
Adjustments to reconcile operating income (loss) to net cash provided by operating activities-			
Depreciation	2	-	2
Change in assets and liabilities:			
(Increase) in receivables	(88)	-	(88)
(Increase) in due from other funds	-	(125)	(125)
(Increase) in prepaid insurance	-	(209)	(209)
Increase (decrease) in claims payable	(457)	314	(143)
Increase in due to participants	4,002	-	4,002
Increase in compensated absences payable	2	-	2
Total adjustments	3,461	(20)	3,441
Net cash provided by operating activities	$ 1,078	$ 2,829	$ 3,907

CHARLOTTE℠

Statistical Section

STATISTICAL SECTION

This part of the City of Charlotte's comprehensive annual 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.

Page

Financial Trends – These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time. 165

Revenue Capacity – These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax. 172

Debt Capacity – 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. 178

Demographic and Economic Information – These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place. 185

Operating Information – 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. 187

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

THIS PAGE INTENTIONALLY BLANK.

CITY OF CHARLOTTE, NORTH CAROLINA
NET ASSETS BY COMPONENT
LAST NINE FISCAL YEARS [1]
(In Thousands)
(accrual basis of accounting)

	Fiscal Year								
	2002	2003	2004	2005	2006	2007	2008	2009	2010
Governmental activities									
Invested in capital assets, net of related debt	$ 2,815,150	$ 2,972,120	$ 3,190,678	$ 3,522,102	$ 3,619,269	$ 3,808,344	$ 3,926,510	$ 4,370,958	$ 4,443,273
Restricted	212,371	236,683	296,074	183,105	165,156	166,634	183,323	237,956	237,147
Unrestricted [2]	180,331	153,994	157,095	245,322	302,310	342,353	417,217	384,115	414,758
Total governmental activities net assets	3,207,852	3,362,797	3,643,847	3,950,529	4,086,735	4,317,331	4,527,050	4,993,029	5,095,178
Business-type activities									
Invested in capital assets, net of related debt [3]	1,205,332	1,386,154	1,564,727	1,593,752	1,783,920	2,049,966	2,129,484	2,393,701	2,522,680
Restricted	66,160	67,003	67,720	78,544	104,035	143,941	177,226	199,530	245,033
Unrestricted [2, 4]	383,409	393,486	297,963	440,866	496,774	603,245	790,954	642,657	610,896
Total business-type activities net assets	1,654,901	1,846,643	1,930,410	2,113,162	2,384,729	2,797,152	3,097,664	3,235,888	3,378,609
Primary government									
Invested in capital assets, net of related debt	4,020,482	4,358,274	4,755,405	5,115,854	5,403,189	5,858,310	6,055,994	6,764,659	6,965,953
Restricted	278,531	303,686	363,794	261,649	269,191	310,575	360,549	437,486	482,180
Unrestricted [2]	563,740	547,480	455,058	686,188	799,084	945,598	1,208,171	1,026,772	1,025,654
Total primary government net assets	$ 4,862,753	$ 5,209,440	$ 5,574,257	$ 6,063,691	$ 6,471,464	$ 7,114,483	$ 7,624,714	$ 8,228,917	$ 8,473,787

[1] In 2002, the City of Charlotte began reporting accrual information when it implemented GASB Statement 34.
[2] 2003 through 2009 have been restated for the effects of a prior period adjustment as discussed in Note 1.d.8.
[3] In 2003, a wastewater treatment plant and major water mains were placed in service. In 2004, construction began on light rail projects.
[4] In 2004, unrestricted net assets declined due to an allowance for uncollectible receivables related to US Airways, Inc.

CITY OF CHARLOTTE, NORTH CAROLINA
CHANGES IN NET ASSETS
LAST NINE FISCAL YEARS [1]
(In Thousands)
(accrual basis of accounting)

	Fiscal Year								
	2002	2003	2004	2005	2006	2007	2008	2009	2010
Expenses									
Governmental activities:									
Public safety	$ 214,502	$ 227,189	$ 224,870	$ 241,985	$ 258,375	$ 275,078	$ 286,271	$ 301,866	$ 318,576
Sanitation	35,990	39,833	39,567	38,997	39,726	43,137	45,848	49,817	55,721
General administration	35,065	35,653	38,530	37,510	37,688	42,613	45,641	48,798	38,188
Support services	6,104	17,737	19,441	19,184	18,907	18,814	20,326	23,719	21,066
Engineering and property management	20,187	18,830	23,154	22,711	26,828	30,595	56,844	33,049	29,232
Streets and highways	42,350	73,742	77,422	81,157	86,217	91,636	94,888	103,289	116,141
Culture and recreation	6,125	4,019	4,263	7,670	8,336	8,208	9,146	13,914	17,834
Community planning and development	42,895	66,122	57,637	56,460	63,773	66,428	65,355	74,104	81,691
Interest and other charges [2]	29,942	33,958	44,745	42,240	48,248	46,727	47,819	45,593	64,630
Total governmental activities expenses	433,160	517,083	529,629	547,914	588,098	623,236	672,138	694,149	743,079
Business-type activities:									
Water	63,904	72,840	87,894	84,017	88,914	87,729	100,020	103,069	97,894
Sewer	83,243	95,293	94,013	95,160	114,341	140,468	141,511	160,668	157,503
Storm water	12,757	12,507	16,039	18,955	19,569	22,242	22,613	21,652	21,565
Airport	86,065	85,712	90,912	107,033	128,746	134,015	148,369	157,400	137,144
Public transit	63,683	72,082	80,320	92,285	110,828	121,522	146,155	155,602	155,226
Total business-type activities expenses	309,652	338,434	369,178	397,450	462,398	505,976	558,668	598,391	569,332
Total primary government expenses	$ 742,812	$ 855,517	$ 898,807	$ 945,364	$ 1,050,496	$ 1,129,212	$ 1,230,806	$ 1,292,540	$ 1,312,411
Program Revenues									
Governmental activities:									
Fees, fines, and charges for services:									
Public safety	$ 26,611	$ 26,800	$ 25,969	$ 23,931	$ 26,480	$ 23,689	$ 24,197	$ 24,692	$ 23,719
Sanitation	9,318	9,474	9,503	9,897	10,680	10,865	11,277	11,503	11,895
General administration	9,981	13,432	14,786	11,589	10,856	11,694	12,805	15,930	14,853
Community planning and development	8,003	10,383	8,989	12,968	8,309	6,089	10,383	7,954	11,440
Other activities	11,265	17,046	14,899	20,158	22,983	25,120	26,844	29,196	26,478
Operating grants and contributions	41,155	44,627	40,243	41,803	49,747	46,231	47,158	63,714	65,051
Capital grants and contributions [3]	252,793	162,917	290,961	286,685	138,597	190,815	172,262	450,950	135,080
Total governmental activities program revenues	359,126	284,679	405,350	407,031	267,652	314,503	304,926	603,939	288,516
Business-type activities:									
Fees, fines, and charges for services:									
Water	70,406	68,625	75,133	76,359	100,497	98,444	94,320	90,866	98,954
Sewer	82,416	82,539	88,610	98,298	118,737	127,870	137,617	144,033	151,653
Storm water	23,124	25,634	27,643	31,097	34,625	38,286	40,837	43,642	45,782
Airport [4]	91,659	81,144	72,982	120,372	161,302	185,079	201,259	190,052	188,935
Public transit	8,972	10,043	11,068	11,751	13,747	14,907	18,220	23,132	21,548
Operating grants and contributions	8,095	9,531	12,749	12,996	12,985	12,880	19,019	14,413	12,803
Capital grants and contributions [5]	102,351	162,575	84,798	144,960	173,189	297,368	224,739	119,356	98,504
Total business-type activities program revenues	387,023	440,091	372,983	495,833	615,082	774,834	736,011	625,494	618,179
Total primary government program revenues	$ 746,149	$ 724,770	$ 778,333	$ 902,864	$ 882,734	$ 1,089,337	$ 1,040,937	$ 1,229,433	$ 906,695

Net (Expense)/Revenue									
Governmental activities	$ (74,034)	$ (232,404)	$ (124,279)	$ (140,883)	$ (320,446)	$ (308,733)	$ (367,212)	$ (90,210)	$ (454,563)
Business-type activities	77,371	101,657	3,805	98,383	152,684	268,858	177,343	27,103	48,847
Total primary governmental net expense	$ 3,337	$ (130,747)	$ (120,474)	$ (42,500)	$ (167,762)	$ (39,875)	$ (189,869)	$ (63,107)	$ (405,716)
General Revenues and Other Changes in Net Assets									
Governmental activities:									
Taxes-									
Property	$ 237,125	$ 240,926	$ 263,607	$ 265,316	$ 280,844	$ 313,274	$ 331,431	$ 345,755	$ 356,913
Sales [2, 6]	52,486	59,328	64,785	69,658	75,938	80,059	87,035	74,434	72,715
Utility franchise [2]	22,009	27,636	27,731	28,372	29,737	31,486	34,278	35,158	36,911
Occupancy [7]	12,972	13,611	14,499	15,622	19,686	29,361	32,611	27,036	25,999
Prepared foods	12,932	13,286	14,476	15,595	17,491	19,087	20,172	19,226	19,598
Business privilege	9,229	11,412	9,465	9,503	15,501	15,894	20,703	16,390	16,250
Municipal vehicle	12,102	12,910	6,928	14,423	14,072	13,848	14,184	15,527	14,388
Grants and contributions not restricted to specific programs	12,849	6,432	6,750	11,674	12,896	17,400	20,362	16,756	13,508
Investment earnings [2]	20,852	11,791	6,879	11,955	10,334	26,124	23,056	15,218	7,212
Miscellaneous [2]	2,908	8,312	8,864	10,653	8,731	11,161	11,536	9,099	11,683
Special items [8]	-	-	-	13,444	(10,098)	-	-	-	-
Transfers	(18,701)	(18,295)	(18,655)	(18,650)	(18,480)	(18,365)	(18,437)	(18,410)	(18,465)
Total governmental activities	376,763	387,349	405,329	447,565	456,652	539,329	576,931	556,189	556,712
Business-type activities:									
Sales taxes levied for Public transit [2]	51,061	54,002	55,191	58,606	67,199	70,301	71,212	59,510	57,870
Investment earnings	30,786	17,710	6,657	16,716	31,710	50,207	51,241	29,516	13,181
Miscellaneous	564	78	(541)	(9,603)	1,494	4,692	(17,721)	3,685	4,358
Transfers	18,701	18,295	18,655	18,650	18,480	18,365	18,437	18,410	18,465
Total business-type activities	101,112	90,085	79,962	84,369	118,883	143,565	123,169	111,121	93,874
Total primary government	$ 477,875	$ 477,434	$ 485,291	$ 531,934	$ 575,535	$ 682,894	$ 700,100	$ 667,310	$ 650,586
Change in Net Assets									
Governmental activities	$ 302,729	$ 154,945	$ 281,050	$ 306,682	$ 136,206	$ 230,596	$ 209,719	$ 465,979	$ 102,149
Business-type activities	178,483	191,742	83,767	182,752	271,567	412,423	300,512	138,224	142,721
Total primary government	$ 481,212	$ 346,687	$ 364,817	$ 489,434	$ 407,773	$ 643,019	$ 510,231	$ 604,203	$ 244,870

Notes:

[1] In 2002, the City of Charlotte began reporting accrual information when it implemented GASB Statement 34.

[2] 2003 through 2009 have been restated for the effects of a prior period adjustment as discussed in Note 1.d.8.

[3] In 2003 and in 2006, fewer street miles were added. In 2009, more street miles were added due to annexation.

[4] In 2004, a $23 million allowance for long-term receivables was recorded due to US Airways bankruptcy. In 2005, the Airport began collecting Passenger Facility Charges.

[5] In 2004, $105 million in water and sewer assets and $19 million in storm water assets were added due to annexation.

[6] In 2004, an additional 1/2 cent sales tax was collected.

[7] In 2007, an additional 2 percent occupancy tax was collected to be used for NASCAR Hall of Fame.

[8] In 2005, the City sold a civic center. In 2006, the City sold the Charlotte Coliseum.

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

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General Fund										
Reserved	$ 37,899	$ 38,095	$ 40,162	$ 39,839	$ 40,327	$ 44,958	$ 43,915	$ 34,806	$ 31,887	$ 54,512
Unreserved [1,2]	62,714	54,275	69,199	74,896	80,978	101,340	117,699	128,793	119,197	100,740
Total general fund	$100,613	$ 92,370	$109,361	$114,735	$121,305	$146,298	$161,614	$163,599	$151,084	$155,252
All Other Governmental Funds										
Reserved	$ 32,906	$ 32,149	$ 40,245	$ 39,827	$ 31,555	$ 21,443	$ 19,236	$ 46,787	$ 35,463	$ 34,430
Unreserved, reported in:										
Debt service funds [2]	100,422	116,816	99,870	100,188	96,063	114,946	138,259	168,168	187,409	195,577
Capital projects funds [2, 3]	139,481	141,102	149,959	195,174	79,328	57,755	46,641	58,322	110,301	128,574
Special revenue funds	62,208	58,107	63,486	67,127	78,443	95,443	114,513	123,126	142,212	122,833
Total all other governmental funds	$335,017	$348,174	$353,560	$402,316	$285,389	$289,587	$318,649	$396,403	$475,385	$481,414

[1] In 2002, shared funds were withheld by the State of North Carolina.
[2] 2003 through 2009 have been restated for the effects of a prior period adjustment as discussed in Note 1.d.8.
[3] In 2004, the City received $50 million in private contributions to fund the uptown Arena. In 2005, the City constructed a new uptown Arena.

THIS PAGE INTENTIONALLY BLANK.

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

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
REVENUES:										
Property taxes [1]	$ 217,838	$ 233,223	$ 237,162	$ 261,499	$ 262,867	$ 285,746	$ 313,435	$ 333,032	$ 344,248	$ 359,279
Other taxes [2, 3]	85,983	80,033	87,845	95,390	107,202	120,424	140,417	153,985	130,187	127,482
Intergovernmental [3]	94,627	86,445	101,487	91,393	104,057	106,786	102,125	114,400	135,380	137,647
Licenses, fees and fines [3]	42,194	47,829	52,315	50,006	48,318	58,971	59,141	67,907	62,994	60,330
Investment earnings	32,821	20,132	11,451	6,247	10,625	12,720	23,159	25,030	18,662	10,588
Private contributions [4]	-	-	-	35,096	3,917	5,686	5,596	4,545	14,172	7,598
Administrative charges	14,059	13,832	17,646	18,602	19,909	20,175	21,685	22,420	25,721	25,446
Charges for current services	3,931	3,802	4,275	5,232	6,365	7,421	7,588	8,259	7,477	7,717
Facility fees [5]	1,498	230	-	-	-	-	-	-	-	-
Miscellaneous	9,367	9,502	7,714	10,366	11,262	13,167	13,235	10,698	9,636	8,196
Total revenues	502,318	495,028	519,895	573,831	574,522	631,096	686,381	740,276	748,477	744,283
EXPENDITURES:										
Public safety	188,884	203,431	211,635	217,265	230,386	248,382	265,133	274,361	286,542	305,527
Sanitation	35,207	32,385	35,780	36,517	36,742	37,764	41,439	43,776	45,736	46,200
General administration	29,945	33,763	33,343	38,493	36,253	36,001	41,402	43,213	46,183	37,295
Support services	15,667	15,548	15,346	17,799	16,650	17,336	16,971	19,011	20,069	18,523
Engineering and property management	19,241	19,318	19,721	21,098	20,185	22,345	23,684	26,233	23,793	21,808
Streets and highways	31,887	41,488	40,470	42,883	43,524	44,701	47,564	48,297	52,132	58,332
Culture and recreation [6]	-	2,807	8,439	6,318	6,649	8,258	8,352	9,551	13,478	17,798
Community planning and development	29,423	33,515	33,981	36,409	37,747	42,771	44,207	41,281	55,330	54,381
Debt service-										
Principal [7]	60,118	50,500	45,577	48,463	47,552	46,205	44,049	55,079	74,356	68,766
Interest and other charges	33,811	32,157	31,671	36,367	43,476	43,171	48,366	47,629	49,710	70,900
Capital outlay	93,942	133,542	164,396	160,747	203,074	145,252	135,814	170,154	280,708	252,408
Total expenditures	538,125	598,454	640,359	662,359	722,238	692,186	716,981	778,585	948,037	951,938
(Deficiency) of revenues (under) expenditures	(35,807)	(103,426)	(120,464)	(88,528)	(147,716)	(61,090)	(30,600)	(38,309)	(199,560)	(207,655)

OTHER FINANCING SOURCES (USES):										
Sales of capital assets [8]	945	15,622	9,824	9,031	23,610	25,361	3,968	14,081	953	3,160
Bonds issued	-	73,000	100,000	-	-	-	-	-	-	20,000
Commercial paper issued	-	-	-	-	-	60,900	68,196	121,348	190,636	88,192
Installment purchases issued	47,955	37,319	50,545	164,576	33,137	14,662	18,694	-	87,491	88,595
Refunding debt issued	-	30,738	39,357	147,587	159,272	-	122,655	11,674	49,102	393,509
Premium on debt issuance	-	-	1,648	8,734	11,027	6,338	694	1,027	3,629	35,845
Private loan [9]	-	-	-	-	-	-	1,143	987	357	32,558
Payment to refunded bond escrow agent	-	(30,738)	(40,238)	(168,340)	(171,037)	-	(122,007)	(12,632)	(47,731)	(425,542)
Transfers in	67,847	55,617	109,476	38,675	43,784	59,322	64,365	137,353	82,201	96,718
Transfers out	(86,506)	(73,218)	(127,771)	(57,605)	(62,434)	(76,302)	(82,730)	(155,790)	(100,611)	(115,183)
Transfers to component unit [6]	(4,627)	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	25,614	108,340	142,841	142,658	37,359	90,281	74,978	118,048	266,027	217,852
Net change in fund balances	$ (10,193)	$ 4,914	$ 22,377	$ 54,130	$(110,357)	$ 29,191	$ 44,378	$ 79,739	$ 66,467	$ 10,197
Debt service as a percentage of noncapital expenditures	21.4%	18.4%	14.7%	15.8%	16.5%	15.4%	15.6%	16.0%	18.3%	19.3%

[1] In 2004, property taxes increased as a result of annexation.
[2] In 2007, an additional 2 percent occupancy tax was collected to be used for NASCAR Hall of Fame.
[3] 2003 through 2009 have been restated for the effects of a prior period adjustment as discussed in Note 1.d.8.
[4] In 2004, private contributions were received to fund construction of a new uptown arena.
[5] In 2002, the NFL Stadium parking deck was sold.
[6] Beginning in 2002, as a result of implementing GASB Statement 34, transfers to component unit are shown as culture and recreation expense.
[7] In 2001, the City early extinguished $17,515 of general obligation debt. In 2009, the City early extinguished $21,215 of installment purchases.
[8] In 2005, the City sold a Civic Center. In 2006, the City sold the Charlotte Coliseum. In 2008, the City sold land adjacent to Time Warner Cable Arena.
[9] In 2007, the City entered into a private loan agreement to finance pre-opening expenses for NASCAR Hall of Fame.

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

	Assessed Value						
	Real Property		Personal Property				
Fiscal Year	Residential Property	Commercial Property	Motor Vehicles	Other	Less: Tax-Exempt Property [1]	Total Taxable Assessed Value	Direct Tax Rate
2001	$22,331,944	$14,980,264	$ 4,520,190	$ 4,813,075	$ 39,923	$ 46,605,550	$ 0.4670
2002	24,073,583	16,253,598	4,575,127	5,286,942	39,929	50,149,321	0.4670
2003	24,689,938	16,491,203	4,653,404	5,234,389	92,310	50,976,624	0.4670
2004	30,562,534	12,964,970	4,672,776	5,437,659	127,844	53,510,095	0.4200
2005	32,193,222	19,949,428	4,694,427	5,446,359	139,424	62,144,012	0.4200
2006	34,291,699	20,956,252	4,992,208	5,503,912	155,476	65,588,595	0.4200
2007	35,342,264	21,807,395	5,490,370	5,702,971	138,138	68,204,862	0.4586
2008	36,900,394	24,204,284	5,542,576	6,123,051	140,608	72,629,697	0.4586
2009	38,328,716	23,791,182	5,519,009	6,781,909	150,448	74,270,368	0.4586
2010	40,557,214	24,696,512	5,046,368	7,092,141	174,573	77,217,662	0.4586

Source: Assessed value data provided by Mecklenburg County. Assessed value is 100% of appraised market value as of the last revaluation date.

[1] In 2003, General Statute 105-277.1 increased the exemption for qualified North Carolina residents.

CITY OF CHARLOTTE, NORTH CAROLINA
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(rate per $100 of assessed value)

	City Direct Rates				Overlapping Rates					
					Municipal Service Districts					
Fiscal Year	General	Debt Service	Capital Projects	Total Direct [1]	District 1	District 2	District 3	District 4	District 5 [2]	Mecklenburg County
2001	$.3805	$.0640	$.0225	$.4670	$.0193	$.0140	$.0289	$.0900	$ -	$.7300
2002	.3805	.0640	.0225	.4670	.0193	.0140	.0289	.0900	-	.8397
2003	.3805	.0640	.0225	.4670	.0193	.0140	.0289	.0900	-	.8397
2004	.3480	.0540	.0180	.4200	.0174	.0124	.0271	.0668	.0300	.7364
2005	.3550	.0470	.0180	.4200	.0174	.0124	.0271	.0668	.0300	.7567
2006	.3570	.0470	.0160	.4200	.0174	.0124	.0271	.0668	.0300	.8368
2007	.3698	.0737	.0151	.4586	.0174	.0124	.0271	.0668	.0300	.8189
2008	.3698	.0737	.0151	.4586	.0174	.0124	.0271	.0668	.0300	.8387
2009	.3698	.0737	.0151	.4586	.0174	.0239	.0386	.0668	.0300	.8387
2010	.3758	.0687	.0141	.4586	.0174	.0239	.0386	.0668	.0300	.8387

[1] In 2004, tax rates decreased reflecting the revaluation of real property.
[2] Municipal Service District 5 was established in 2004.

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

	2010			2001		
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Bank of America	$ 1,560,252	1	2.02%	$ 622,622	2	1.34%
Wells Fargo/Wachovia Corporation	1,294,598	2	1.68	337,464	5	0.73
Duke Energy Corporation	769,594	3	1.00	735,502	1	1.58
AT&T/BellSouth, Incorporated	573,632	4	0.74	383,685	4	0.83
US Airways Group, Incorporated	317,320	5	0.41	503,329	3	1.08
Time Warner Entertainment	299,964	6	0.39	-		-
Piedmont Natural Gas	262,233	7	0.34	218,035	7	0.47
Southpark Mall	215,025	8	0.28	-		-
TIAA-CREF, LLC	213,138	9	0.28	-		-
Panthers Stadium, LLC	201,002	10	0.26	175,741	9	0.38
CK Southern/Childress Klein	-		-	322,367	6	0.69
IBM	-		-	180,833	8	0.39
Continental General Tire	-		-	140,625	10	0.30
Total	$ 5,706,758		7.40%	$ 3,620,203		7.79%

Source: Mecklenburg County.

CITY OF CHARLOTTE, NORTH CAROLINA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(Dollar Amounts In Thousands)

Fiscal Year [1]	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2001	$ 220,359	$ 214,352	97.27%	$ 4,826	$ 219,178	99.46%
2002	237,546	230,863	97.19	5,483	236,346	99.49
2003	240,851	234,603	97.41	6,248	240,851	100.00
2004	264,853	257,890	97.37	5,731	263,621	99.53
2005	267,305	261,384	97.78	5,921	267,305	100.00
2006	289,079	281,975	97.54	5,254	287,229	99.36
2007	316,477	308,550	97.50	5,864	314,414	99.35
2008	340,293	332,150	97.61	4,819	336,969	99.02
2009	344,391	336,270	97.64	5,242	341,512	99.16
2010	357,494	350,248	97.97	-	350,248	97.97

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, 2009, for the fiscal year 2010, were based on the assessed values listed as of January 1, 2009.

CITY OF CHARLOTTE, NORTH CAROLINA
ANALYSIS OF CURRENT TAX LEVY
CITY-WIDE LEVY
FOR THE YEAR ENDED JUNE 30, 2010
(In Thousands)

	City-Wide			Total Levy [1]	
	Property Valuation Adjusted	Rate	Total Levy [1]	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
Original levy:					
Property taxed at current year's rate	$ 73,070,360	$0.459	$ 337,110	$ 331,546	$ 5,564
Registered motor vehicles at prior year's rate	3,720,168	$0.459	17,061	-	17,061
Total	76,790,528		354,171	331,546	22,625
Discoveries:					
Prior year taxes	400,939	Various	1,777	1,777	-
Total property valuation	$ 77,191,467				
Net levy			$ 355,948	$ 333,323	$ 22,625
Current year's taxes collected			$ 346,733	$ 327,726	$ 19,007
Current levy collection percentage			97.41%	98.32%	84.01%

[1] Total levy includes only those taxes levied on a unit-wide basis and therefore, does not include the Municipal Services District.

THIS PAGE INTENTIONALLY BLANK.

CITY OF CHARLOTTE, NORTH CAROLINA
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(Dollar Amounts in Thousands, except Per Capita)

	General Bonded Debt			Other Governmental Activities Debt			
Fiscal Year	General Obligation Bonds [1]	Percentage of Actual Taxable Value of Property [2]	Per Capita [3]	Special Obligation Bonds	Installment Purchases	Commercial Paper Notes	Private Loan
2001	$ 313,986	0.67%	$ 569	$ -	$ 291,092	$ -	$ -
2002	363,107	0.72	626	-	302,625	-	-
2003	437,816	0.86	737	-	332,591	-	-
2004	409,384	0.77	666	-	463,586	-	-
2005	380,236	0.61	601	10,970	468,399	-	-
2006	356,543	0.54	550	10,970	460,549	60,900	-
2007	432,729	0.63	651	10,970	460,118	29,559	729
2008	404,087	0.56	581	10,970	433,186	150,907	1,982
2009	377,156	0.51	526	10,970	522,353	293,812	2,322
2010	483,770	0.63	639	10,970	759,077	46,462	35,045

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

[1] In 2001, the City early extinguished $17,515 of governmental and $16,750 of business-type general obligation debt.
[2] See Schedule of Assessed Value and Actual Value of Taxable Property for value data.
[3] See Schedule of Demographic and Economic Statistics for population and personal income data.

Business-Type Activities							
General Obligation Bonds [1]	Revenue Bonds	Installment Purchases	Commercial Paper Notes	Other Financing Agreements	Total Primary Government	Percentage of Personal Income [3]	Per Capita [3]
$ 548,448	$ 851,647	$ 5,047	$ -	$ 14,555	$ 2,024,775	12.58%	$3,670
518,478	1,010,487	16,984	-	13,725	2,225,406	13.14	3,839
487,519	990,702	19,572	-	12,900	2,281,100	13.17	3,839
456,341	970,535	116,942	-	12,425	2,429,213	13.63	3,954
421,314	1,162,467	125,009	-	11,515	2,579,910	13.68	4,077
393,522	1,128,460	321,924	370,990	10,610	3,114,468	15.84	4,805
365,587	1,538,595	300,347	142,605	9,715	3,290,954	16.00	4,954
330,753	1,640,020	281,889	279,209	8,840	3,541,843	16.89	5,089
313,649	1,919,585	203,013	55,612	7,975	3,706,447	N/A	5,170
290,500	2,360,575	187,548	-	7,120	4,181,067	N/A	5,524

CITY OF CHARLOTTE, NORTH CAROLINA
DIRECT AND OVERLAPPING BONDED DEBT
JUNE 30, 2010
(Dollar Amounts in Thousands)

Jurisdiction	Net General Obligation Bonded Debt Outstanding [1]	Percentage Applicable to City	Amount Applicable to City
Direct:			
City of Charlotte	$ 483,770	100%	$ 483,770
Overlapping:			
Mecklenburg County	1,568,530	77	1,207,768
Total	$ 2,052,300		$ 1,691,538

[1] Excludes general obligation bonds being paid from enterprise funds.

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
2001	$ 3,716,206	$ 1,139,872	$ 2,576,334	30.67%
2002	3,997,438	1,161,358	2,836,080	29.05
2003	4,074,469	1,249,904	2,824,565	30.68
2004	4,949,232	1,430,944	3,518,288	28.91
2005	5,002,695	1,523,955	3,478,740	30.46
2006	5,247,088	1,673,417	3,573,671	31.89
2007	5,456,389	1,731,566	3,724,823	31.73
2008	5,810,376	1,635,621	4,174,755	28.15
2009	5,941,629	1,835,116	4,106,513	30.89
2010	6,177,413	1,959,961	4,217,452	31.73

[1] Excludes debt not applicable to the limit.

Legal Debt Margin Calculation for Fiscal Year 2010:		
Assessed value		$ 77,217,662
Debt limit (8% of assessed value)		$ 6,177,413
Total outstanding general obligation bonded debt	$ 774,270	
Amounts due under installment purchases primarily for Convention Center, tourism, capital improvements and equipment	946,625	
Bonds authorized but unissued	352,218	
	2,073,113	
Less- Water general obligation bonds	113,152	
Outstanding debt, net		1,959,961
Legal debt margin		$ 4,217,452

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]	Net Revenues Available for Debt Service	Debt Service Requirement	Revenue Bond Coverage
2001	$ 175,356	$ 65,181	$ 110,175	$ 10,783	10.2
2002	186,187	67,712	118,475	22,970	5.2
2003	176,274	78,259	98,015	30,896	3.2
2004	183,722	87,071	96,651	34,847	2.8
2005	200,368	82,575	117,793	34,492	3.4
2006	257,075	90,693	166,382	43,478	3.8
2007	276,399	93,119	183,280	51,141	3.6
2008	279,870	102,522	177,348	67,871	2.6
2009	284,083	101,583	182,500	78,258	2.3
2010	300,153	99,989	200,164	88,524	2.3

[1] Allowable revenues and current expenses as defined by the Revenue Bond Order.

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]	Net Revenues Available for Debt Service	Debt Service Requirement	Revenue Bond Coverage
2001	$ 24,660	$ 8,710	$ 15,950	$ 4,862	3.3
2002	27,278	9,921	17,357	4,882	3.6
2003	27,435	9,245	18,190	4,736	3.8
2004	32,120	11,287	20,833	4,721	4.4
2005	36,400	12,750	23,650	6,198	3.8
2006	41,946	12,198	29,748	7,187	4.1
2007	48,490	13,021	35,469	9,476	3.7
2008	51,606	12,699	38,907	10,247	3.8
2009	53,542	11,604	41,938	10,954	3.8
2010	54,370	11,884	42,486	11,022	3.9

[1] Allowable revenues and current expenses as defined by the Revenue Bond Order.

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]
2001	$ 86,234	$ 28,755	$ 57,479	$ 23,456	2.5
2002	83,824	31,723	52,101	23,276	2.2
2003	72,909	33,344	39,565	24,571	1.6
2004	86,743	35,506	51,237	23,013	2.2
2005	94,456	40,580	53,876	23,235	2.3
2006	104,196	43,761	60,435	18,203	3.3
2007	117,180	45,432	71,748	18,285	3.9
2008	129,034	52,849	76,185	21,049	3.6
2009	123,920	52,835	71,085	18,273	3.9
2010	122,024	52,435	69,589	20,957	3.3

[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.

CITY OF CHARLOTTE, NORTH CAROLINA
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN CALENDAR YEARS

Year	Population	Personal Income (thousands of dollars)	Per Capita Personal Income	Median Age	Unemployment Rate
2001	551,645	$ 16,089,679	$ 22,684	34.7	3.8%
2002	579,684	16,942,549	23,250	33.6	6.5
2003	594,176	17,317,300	23,201	33.4	6.4
2004	614,330	17,827,370	23,322	33.4	5.6
2005	632,760	18,860,073	24,251	34.7	5.1
2006	648,139	19,655,613	24,623	34.5	4.4
2007	664,342	20,570,513	24,853	35.1	4.5
2008	695,995	20,970,350	24,281	35.1	5.6
2009	716,874	N/A	N/A	35.1	10.2
2010	756,912	N/A	N/A	N/A	9.5

Source: Data provided by Charlotte Chamber of Commerce. Personal income and median age data are for the County.
N/A: Information not available.

CITY OF CHARLOTTE, NORTH CAROLINA
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

	2010			2001		
Employer	Employees	Rank	Percentage to Total City Employment	Employees	Rank	Percentage to Total City Employment
Carolinas Healthcare System	26,283	1	6.36%	11,853	3	3.05%
Wells Fargo/Wachovia Corporation	20,000	2	4.84	16,301	1	4.19
Charlotte-Mecklenburg Schools	19,485	3	4.72	12,784	2	3.29
Bank of America	13,960	4	3.38	11,700	4	3.01
Wal-Mart Stores, Incorporated	13,192	5	3.19	-	-	-
Presbyterian Regional Healthcare Corporation	9,000	6	2.18	5,500	10	1.41
Delhaize America Inc/Food Lion LLC	8,658	7	2.09	-	-	-
Duke Energy Corporation	7,757	8	1.88	7,235	5	1.86
State of North Carolina	7,479	9	1.81	5,876	8	1.51
US Airways Group, Incorporated	5,955	10	1.44	7,000	6	1.80
Mecklenburg County	-		-	5,898	7	1.52
City of Charlotte	-		-	5,520	9	1.42
Total	131,769		31.89%	89,667		23.06%

Sources: Number of employees provided by Charlotte Chamber of Commerce. Total city employment provided by NC Employment Security Commission.

CITY OF CHARLOTTE, NORTH CAROLINA
FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

	Full-time Equivalent Employees as of June 30									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Function/Program										
Public safety [1]	2,873.50	2,958.50	2,953.50	3,002.50	3,058.50	3,094.50	3,179.50	3,191.50	3,223.50	3,392.50
Sanitation	230.00	283.00	264.00	255.00	247.00	239.00	276.00	290.00	289.00	296.00
General administration	222.00	233.00	240.00	245.00	272.00	295.50	297.50	349.00	350.25	367.25
Support services	167.00	182.00	182.00	183.50	186.50	187.50	191.50	197.50	235.00	223.00
Engineering and property management	261.00	290.00	296.00	298.00	299.00	301.00	306.00	314.00	330.00	329.00
Streets and highways	399.25	448.25	433.25	456.25	447.25	437.25	437.25	428.50	429.50	434.50
Community planning and development	167.00	176.00	204.00	210.00	212.00	225.00	227.00	226.00	226.00	233.00
Water and Sewer	763.50	779.50	779.50	784.50	802.50	802.50	818.50	813.50	812.50	802.50
Storm water	57.00	67.00	68.00	77.00	84.00	92.00	85.00	80.00	86.00	83.00
Airport	226.00	241.00	248.00	248.00	268.00	268.00	268.00	268.00	268.00	268.00
Public transit	134.25	159.25	173.25	225.25	242.25	289.75	380.75	392.75	392.75	392.75
Risk management	20.00	23.00	23.00	23.00	25.00	25.00	25.00	26.00	27.00	27.00
Total	5,520.50	5,840.50	5,864.50	6,008.00	6,144.00	6,257.00	6,492.00	6,576.75	6,669.50	6,848.50

Source: Actual position allocations per Budget and Evaluation Department.
[1] In 2009, positions were added due to annexation. In 2010, positions were added due to receipt of an American Recovery and Reinvestment Act grant.

CITY OF CHARLOTTE, NORTH CAROLINA
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Function/Program										
Public safety										
Police physical arrests	26,042	26,618	26,853	27,226	26,163	28,015	27,005	28,875	29,703	28,326
911 call volume	N/A	N/A	968,055	1,030,578	1,066,176	1,081,065	1,093,542	1,069,433	1,008,457	967,020
Fire calls answered	69,174	71,449	73,190	75,624	78,656	84,348	88,024	90,743	91,309	93,139
Sanitation										
Refuse collected (in tons)	242,110	252,529	247,938	257,972	278,598	281,215	338,745	331,806	311,820	310,376
Recyclables collected (in tons)	26,650	26,975	33,096	32,926	33,126	33,036	33,242	34,725	33,213	34,188
Support services										
Fleet maintained	2,760	2,861	2,833	2,845	2,968	3,091	3,137	3,251	3,367	3,470
Streets and highways										
Miles resurfaced	326	382	334	304	283	195	194	306	319	246
Potholes repaired	524	697	453	387	376	378	375	288	576	895
Community planning and development										
Housing inspections conducted	2,400	2,234	2,045	2,818	2,970	2,993	3,689	3,565	3,749	3,142
Affordable housing production	824	825	1,005	1,051	1,319	1,187	1,640	1,204	1,093	1,172
Water										
Number of service connections	192,000	197,891	204,110	226,004	223,559	232,545	237,930	241,637	242,631	245,854
Average daily consumption (in millions of gallons)	102	110	101	105	100	111	114	106	99	108
Sewer										
Number of service connections	171,300	176,139	181,700	191,148	196,906	205,569	219,268	222,887	223,855	226,978
Average daily treatment (in millions of gallons)	76	72	87	81	84	80	86	78	81	83
Storm water										
Requests for services completed	1,300	1,072	668	1,500	1,863	1,842	1,627	1,885	2,021	2,266
Airport										
Number of airline arrivals and departures per day	1,102	1,060	1,016	1,048	1,142	1,204	1,228	1,350	1,289	1,281
Passengers boarding (in thousands)	11,999	11,481	11,310	12,166	13,539	14,246	15,712	17,023	17,305	17,725
Public transit										
Scheduled bus/rail miles operated (in thousands)[1]	6,639	8,588	10,215	10,116	14,541	15,769	15,365	16,304	17,280	15,617
Passengers (in thousands)[1]	14,025	14,695	15,528	16,356	17,705	19,157	19,758	23,101	26,034	24,355

N/A - information not available
[1] Light rail service began operations in 2008.

CITY OF CHARLOTTE, NORTH CAROLINA
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Function/Program										
Public safety										
Police stations	11	11	12	12	12	12	13	13	13	13
Patrol units	919	993	993	997	984	990	1,072	1,087	1,169	1,251
Fire stations	36	35	35	36	36	37	38	38	39	40
Sanitation										
Collection trucks	169	177	176	165	170	171	182	194	198	200
Streets and highways										
Miles of street	1,990	2,143	2,147	2,104	2,181	2,197	2,244	2,280	2,368	2,398
Number of street lights	58,357	59,807	62,470	60,565	60,737	63,258	64,644	66,204	67,345	70,000
Water										
Treatment plants	3	3	3	3	3	3	3	3	3	3
Miles of water mains	3,140	3,230	3,294	3,370	3,450	3,528	3,850	3,929	4,025	4,064
Fire hydrants [1]	9,062	9,015	9,141	18,000	20,000	20,000	20,000	22,000	12,425	12,541
Sewer										
Treatment plants	5	5	5	5	5	5	5	5	5	5
Miles of sanitary sewer lines	3,062	3,145	3,210	3,297	3,369	3,433	3,865	3,942	4,028	4,047
Airport										
Feet of runway [2]	26,345	26,345	26,345	26,345	26,345	26,345	26,345	26,345	26,345	35,175
Public transit										
Motor buses	240	260	309	313	321	326	324	342	342	324
Light rail vehicles	-	-	-	-	4	4	9	16	16	20

[1] Beginning 2009, data represents only assets owned and maintained by the city.
[2] In 2010, the Airport opened its third parallel runway.

THIS PAGE INTENTIONALLY BLANK.

CHARLOTTE℠

Single Audit

CHERRY BEKAERT & HOLLAND
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORITNG AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate 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, 2010, which collectively comprise the City's basic financial statements, and have issued our report thereon dated October 31, 2010. Our report includes a reference to other auditors. 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. Other auditors audited the financial statements of the Charlotte Regional Visitors Authority, as described in our report on the City's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

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 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 a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

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 determination of financial statement amounts. 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*.

This report is intended solely for the information and use of management, City Council, and federal and State awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

CHERRY, BEKAERT & HOLLAND, L.L.P.

Raleigh, North Carolina
October 31, 2010

CHERRY BEKAERT & HOLLAND
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND THE STATE SINGLE AUDIT IMPLEMENTATION ACT

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

Compliance

We have audited the compliance of the City of Charlotte, North Carolina (the "City"), with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 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 its major federal programs for the year ended June 30, 2010. The City's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

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; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations,* and the State Single Audit Implementation Act. Those standards, OMB Circular A-133, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the City's compliance with those requirements.

In our opinion, the City complied, in all material respects, with the 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, 2010. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and the State Single Audit Implementation Act, and which are described in the accompanying schedule of findings and questioned costs as items 10-01 and 10-02.

Internal Control Over Compliance

The management of the City is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 and the State Single Audit Implementation Act, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's 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.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

The City's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the City's responses and, accordingly, we express no opinion on the responses.

This report is intended solely for the information and use of management, City Council, and federal and State awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

CHERRY, BEKAERT & HOLLAND, L.L.P.

Raleigh, North Carolina
October 31, 2010

CHERRY BEKAERT & HOLLAND
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR STATE PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH APPLICABLE SECITONS OF OMB CIRCULAR A-133 AND THE STATE SINGLE AUDIT IMPLEMENTATION ACT

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

Compliance

We have audited the compliance of the City of Charlotte, North Carolina (the "City"), 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 its major State programs for the year ended June 30, 2010. The City's major State programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major State programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

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; applicable sections of OMB Circular A-133, as described in the *Audit Manual for Governmental Auditors in North Carolina,* and the State Single Audit Implementation Act. Those standards, applicable sections of OMB Circular A-133, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major State program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the City's compliance with those requirements.

In our opinion, the City complied, in all material respects, with the 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, 2010.

Internal Control Over Compliance

The management of the City is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to State programs. In planning and performing our audit, we considered the City's internal control over compliance with the requirements that could have a direct and material effect on a major State program in order to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance with applicable sections of OMB Circular A-133 and the State Single Audit Implementation Act, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's 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.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, City Council, and federal and State awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

CHERRY, BEKAERT & HOLLAND, L.L.P.

Raleigh, North Carolina
October 31, 2010

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2010

I. SUMMARY OF AUDITORS' RESULTS

A. An unqualified opinion was issued on the basic financial statements of the City of Charlotte, North Carolina (the "City").

B. Our audit of the basic financial statements disclosed no matters involving the internal control over financial reporting and its operations that we consider to be material weaknesses or significant deficiencies.

C. Our audit of the basic financial statements disclosed no instances of noncompliance with laws, regulations and the provisions of contracts and grant agreements that are material to the basic financial statements.

D. Our audit of compliance with the types of compliance requirements applicable to the City's major programs disclosed no material weaknesses or significant deficiencies in the internal controls over major programs.

E. An unqualified opinion was issued on the City's compliance with the types of compliance requirements applicable to its major federal programs.

F. An unqualified opinion was issued on the City's compliance with the types of compliance requirements applicable to its major State programs.

G. Our audit disclosed two instances of noncompliance related to the federal programs of the City.

H. Our audit disclosed no instances of noncompliance related to the State programs of the City.

I. Major federal programs for the City for the year ended June 30, 2010 were:

Program Name	CFDA#
U.S. Department of Defense	
Military Construction, National Guard	12.400
U.S. Department of Housing and Urban Development	
HOME Investment Partnerships	14.239
Lead-Based Paint Hazard Control in Privately-Owned Housing	14.900
ARRA – Lead Based Paint Hazard Control in Privately-Owned Housing	14.907
U.S. Department of Labor	
WIA Cluster:	
ARRA – WIA Adult Program	17.258
ARRA – WIA Youth Activities	17.259
ARRA – WIA Dislocated Workers	17.260
ARRA – WIA Dislocated Workers	17.260
Workforce Investment Act	17.267

U.S. Department of Transportation	
Federal Transit Cluster:	
Federal Transit – Capital Investment Grants	20.500
Federal Transit – Formula Grants	20.507
ARRA – Federal Transit – Formula Grants	20.507
Highway Planning and Construction Cluster:	
Highway Planning and Construction	20.205
ARRA – Highway Planning and Construction	20.205
U.S. Environmental Protection Agency	
ARRA – Clean Water State Revolving Funds	66.458

J. Major State programs for the City for the fiscal year ended June 30, 2010 were:

Program Name

North Carolina State Department of Transportation
- State Street Aid – Powell Bill
- Traffic Agreement – W-4004
- Traffic Agreement – R-2248 AC & AD
- Traffic Agreement – U-2512 A & BA

K. The threshold for determining Type-A programs, as the term is defined in OMB Circular A-133, for the City is $3,000,000.

L. The City qualified as a low-risk auditee under Section .530 of OMB Circular A-133.

II. FINDINGS RELATED TO THE AUDIT OF THE BASIC FINANCIAL STATEMENTS OF THE CITY

Our audit disclosed no findings related to the basic financial statements of the City.

III. FINDINGS RELATED TO THE AUDIT OF THE FEDERAL AND STATE PROGRAMS OF THE CITY

U.S. Department of Housing and Urban Development (HUD)
Program Name: HOME Investment Partnerships
14.239

Finding 10-01

NON MATERIAL NONCOMPLIANCE

REPORTING

Criteria: Each recipient who receives HUD financial assistance directly shall submit to the Assistant Secretary an annual report in such form and with such information as the Assistant Secretary may request, for the purpose of determining effectiveness of Section 3. Where the program providing the Section 3 covered assistance requires submission of an annual performance report, the section 3 report will be submitted with that annual performance report.

Condition: During testing it was noted that the City did not submit the HUD 60002, Section 3 report when the annual performance report was submitted for fiscal year 2010.

Questioned Costs: N/A

Effects: The City is not in compliance with the reporting requirements specified by HUD.

Cause: The City did not complete the HUD 60002, Section 3 report in time to include it along with the annual performance report.

Recommendation: The City should ensure that the Section 3 report is submitted along with the annual performance report.

Views of responsible officials: The City agrees with this finding.

U.S. Department of Housing and Urban Development (HUD)
Program Name: HOME Investment Partnerships
14.239

Finding 10-02

NON MATERIAL NONCOMPLIANCE

DAVIS-BACON ACT

Criteria: As required by Federal program legislation, all laborers and mechanics employed by contractors or subcontractors to work on construction contracts in excess of $2,000 financed by Federal assistance funds must be paid wages not less than those established for the locality of the project (prevailing wage rates) by the Department of Labor.

Condition: During our testing of this program it was noted that Davis-Bacon compliance activities were omitted from two projects undertaken by the Charlotte-Mecklenburg Regional Housing Consortium of which the City of Charlotte is the lead entity.

Questioned Costs: N/A

Context: Out of three projects examined, two were found to be non-compliant with Davis-Bacon requirements.

Effects: The City is not in compliance with Davis-Bacon requirements specified by HUD.

Cause: The City did not monitor the activities of the other entities in the Charlotte-Mecklenburg Regional Housing Consortium to ensure that Davis-Bacon requirements were met.

Recommendation: The City should ensure that Davis-Bacon requirements are followed on all applicable projects where federal funds are utilized.

Views of responsible officials: The City agrees with this finding.

SCHEDULE OF CORRECTIVE ACTION PLAN
YEAR ENDED JUNE 30, 2010

Finding 10-01

Name of Contact Person: Richard Woodcock, Deputy Director for Neighborhood & Business Services

Corrective Action: The information for the HUD 60002 report on Section 3 is currently being compiled.

Proposed Completion Date: November 20, 2010

Finding 10-02

Name of Contact Person: Richard Woodcock, Deputy Director for Neighborhood & Business Services

Corrective Action: These two projects were noted in the August 17, 2010 monitoring visit by the Labor Relation Specialist from HUD's Atlanta Regional Office. The two projects, administered by Consortium partners (the towns of Mathews and Cornelius) had not followed Davis-Bacon compliance procedures. Construction activities for these projects had been completed when HUD made their findings. The City of Charlotte, as lead entity of the Consortium, has assured HUD that federal labor relation requirements will be monitored and adhered to in future projects. HUD accepted this assurance as resolution and cleared the finding in their letter to the City dated September 20, 2010.

Proposed Completion Date: N/A

CITY OF CHARLOTTE, NORTH CAROLINA

SUMMARY OF PRIOR YEAR FINDINGS
YEAR ENDED JUNE 30, 2010

For prior year Finding No. 09-01, the City implemented procedures to ensure that only allowable expenses were charged to the State Street Aid – Powell Bill.

CITY OF CHARLOTTE, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2010

Grantor/Pass-Through Grantor/Program Title	Federal Catalog Number	Grant Award Number	Total Grant	Current Year Expenditures	Cumulative Expenditures
FEDERAL AWARDS:					
U.S. Department of Commerce					
Pass-Through N.C. Department of Crime Control and Public Safety:					
Public Safety Interoperable Communications	11.555	2007-GS-H7-0022	$ 2,993,357	$ 2,993,357	$ 2,993,357
U.S. Department of Defense					
Direct Programs:					
Military Construction, National Guard	12.400	W91242-08-2-2104	7,200,000	4,646,588	4,646,588
U.S. Department of Energy					
Direct Programs:					
ARRA - Energy Efficiency and Conservation Block Grant	81.128	DE-EE0000765	6,780,100	272,248	272,248
Pass-Through Triangle J. Council of Governments:					
ARRA - Conservation Research and Development	81.086	TJCOG-CBS-019	1,000,000	-	-
Total U.S. Department of Energy			7,780,100	272,248	272,248
U.S. Department of Health and Human Services					
Pass-Through N.C. Department of Health and Human Services:					
Public Health and Social Services Emergency	93.003	BT-07-1106	370,000	14,932	366,203
U.S. Department of Homeland Security					
Direct Programs:					
Assistance to Firefighters	97.044	EMW-2006-FG-09305	864,800	-	742,888
Assistance to Firefighters	97.044	EMW-2009-FO-05755	1,229,712	-	-
Rail and Transit Security	97.075	2009-RA-T9-0082	364,373	-	-
Total Direct Programs			2,458,885	-	742,888

Continued on next page

CITY OF CHARLOTTE, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2010

Grantor/Pass-Through Grantor/Program Title	Federal Catalog Number	Grant Award Number	Total Grant	Current Year Expenditures	Cumulative Expenditures
Pass-Through N.C. Department of Crime Control and Public Safety:					
State and Local Homeland Security Exercise Support	97.006	HS-TE-03-5117	$ 134,900	$ -	$ 134,900
State and Local Homeland Security Exercise Support	97.006	SRT/USAR 0607-001	141,000	5	136,720
Urban Areas Security Initiative	97.008	2007-GE-T7-0048	4,970,000	1,010,909	3,354,197
State Homeland Security	97.073	2007-GE-T7-0048	170,000	146,178	163,690
State Homeland Security	97.073	2007-GE-T7-0048	251,571	152,141	251,571
State Homeland Security	97.073	2007-GE-T7-0048	50,000	8,957	16,190
State Homeland Security	97.073	2007-GE-T7-0048-8017	65,000	18,020	63,209
State Homeland Security	97.073	USAR #3 - 1028	220,000	213,438	220,000
Rail and Transit Security	97.075	2007-RL-T7-0004	428,752	-	-
Rail and Transit Security	97.075	2007-RL-T7-0004	548,766	-	143,260
Rail and Transit Security	97.075	2007-RL-T7-0021	146,434	-	-
Rail and Transit Security	97.075	2007-RL-T7-0021	414,990	-	131,400
Rail and Transit Security	97.075	2008-RL-T8-0002	84,637	34,799	34,799
Rail and Transit Security	97.075	2008-RL-T8-0002	78,593	-	-
Rail and Transit Security	97.075	2008-RL-T8-0002	270,926	-	-
Rail and Transit Security	97.075	2008-RL-T8-0002	250,741	-	-
Rail and Transit Security	97.075	2008-RL-T8-0002	253,462	-	-
Rail and Transit Security	97.075	2008-RL-T8-0002	249,441	-	-
Buffer Zone Protection	97.078	2007-BZ-T7-0034	365,770	263,577	263,577
Homeland Security Cluster:					
Homeland Security	97.067	2005-GE-T5-0051	530,400	-	529,129
Homeland Security	97.067	2006-GE-T6-0010	7,176,000	1,467,471	7,132,329
Homeland Security	97.067	2008-GE-T8-0033	25,000	1,759	1,759
Homeland Security	97.067	2008-GE-T8-0033	321,221	20,514	20,514
Homeland Security	97.067	2008-GE-T8-0033	60,000	-	-
Homeland Security	97.067	2008-GE-T8-0033	350,000	42,924	42,924
Homeland Security	97.067	2008-GE-T8-0033	205,714	20,149	20,149
Homeland Security	97.067	2008-GE-T8-0033	4,176,370	775,195	1,792,930
Homeland Security	97.067	2009-SS-T9-0046	311,584	-	-
Homeland Security	97.067	2009-SS-T9-0046	135,714	-	-
Homeland Security	97.067	2009-SS-T9-0046	4,442,600	213,657	213,657
Homeland Security	97.067	2009-SS-T9-0046	80,000	-	-

Continued on next page

CITY OF CHARLOTTE, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2010

Grantor/Pass-Through Grantor/Program Title	Federal Catalog Number	Grant Award Number	Total Grant	Current Year Expenditures	Cumulative Expenditures
Homeland Security	97.067	2009-SS-T9-0046	$ 100,000	$ -	$ -
Metropolitan Medical Response System	97.071	2007-GE-T7-0048	258,145	228,576	230,346
Total Homeland Security Cluster			18,172,748	2,770,245	9,983,737
Total Pass-Through N.C. Department of Crime Control and Public Safety			27,267,731	4,618,269	14,897,250
Pass-Through Mecklenburg County:					
Emergency Management Performance	97.042	EMPG-2007-37119	80,483	24,491	75,071
Emergency Management Performance	97.042	EMPG-2008-37119	97,414	-	-
Emergency Management Performance	97.042	EMPG-2009-37119	99,815	-	-
Total Pass-Through Mecklenburg County			277,712	24,491	75,071
Total U.S. Department of Homeland Security			30,004,328	4,642,760	15,715,209
U.S. Department of Housing and Urban Development					
Direct Programs:					
CDBG - Entitlement Grants Cluster:					
Community Development Block Grants/Entitlement Grants	14.218	B-08-MC-37-0003	4,647,591	4,146,677	4,647,591
Community Development Block Grants/Entitlement Grants	14.218	B-08-MN-37-0001	5,431,777	2,887,729	2,907,969
Community Development Block Grants/Entitlement Grants	14.218	B-09-MC-37-0003	4,781,751	2,408,599	2,408,599
ARRA - Community Development Block Grants/Entitlement Grants	14.253	B-09-MY-37-0003	1,262,296	-	-
Total CDBG - Entitlement Grants Cluster			16,123,415	9,443,005	9,964,159
Emergency Shelter	14.231	S-09-MC-37-0002	206,926	196,899	196,899
HOME Investment Partnerships	14.239	M07DC370212	2,620,529	1,433,570	2,620,529
HOME Investment Partnerships	14.239	M08DC370212	2,590,402	2,138,024	2,138,024
HOME Investment Partnerships	14.239	M09DC370212	2,841,233	-	-
Housing Opportunities For Persons With AIDS	14.241	NC19H07-F001	626,000	259,305	626,000
Housing Opportunities For Persons With AIDS	14.241	NC19H08-F001	671,000	285,143	285,143
Housing Opportunities For Persons With AIDS	14.241	NC19H09-F001	714,063	-	-
Economic Development Initiative	14.251	B-08-SP-NC-0087	147,000	147,000	147,000
ARRA - Homelessness Prevention and Rapid Re-Housing	14.257	S-09-MY-37-002	1,930,217	256,319	256,319
Fair Housing Assistance	14.401	FF204K104008	8,500	8,500	8,500
Fair Housing Assistance	14.401	FF205K094008	107,671	107,671	107,671

Continued on next page

CITY OF CHARLOTTE, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2010

Grantor/Pass-Through Grantor/Program Title	Federal Catalog Number	Grant Award Number	Total Grant	Current Year Expenditures	Cumulative Expenditures
Lead-Based Paint Hazard Control in Privately-Owned Housing	14.900	NCLHB0335-06	$ 2,999,944	$ 561,086	$ 2,998,974
ARRA - Lead-Based Paint Hazards Control in Privately-Owned Housing	14.907	NCLHB0412-08	2,999,903	515,076	515,076
Total Direct Programs			34,586,803	15,351,598	19,864,294
Pass-Through N.C. Department of Commerce:					
Community Development Block Grants/Entitlement Grants	14.218	08-N-1887	2,625,000	671,736	671,736
Pass-Through N.C. Housing Finance Agency:					
HOME Investment Partnerships	14.239	SFR0707	400,000	51,602	176,327
Total U.S. Department of Housing and Urban Development			37,611,803	16,074,936	20,712,357
U.S. Department of Justice					
Direct Programs:					
Part E - Developing, Testing and Demonstrating Promising New	16.541	2008-JL-FX-0488	1,162,653	535,752	780,169
Bulletproof Vest Partnership	16.607	N/A	5,928	231	5,623
Public Safety Partnership and Community Policing	16.710	2007CKWX0044	2,884,170	316,223	406,249
Public Safety Partnership and Community Policing	16.710	2007CKWX0158	3,985	-	3,985
Public Safety Partnership and Community Policing	16.710	2008CSWX0014	321,350	30,967	203,317
ARRA - Public Safety Partnership and Community Policing	16.710	2009RJWX0062	8,545,950	2,005,843	2,005,843
Forensic DNA Backlog Reduction Program	16.741	2007-DN-BX-K093	281,369	66,124	281,369
Forensic DNA Backlog Reduction Program	16.741	2008-DN-BX-K116	362,548	105,577	222,980
Forensic DNA Backlog Reduction Program	16.741	2009-DN-BX-K150	351,398	-	-
Total Direct Programs			13,919,351	3,060,717	3,909,535
Pass-Through N.C. Department of Crime Control and Public Safety:					
Project Safe Neighborhoods	16.609	060-1-07-001-BA-728	23,956	20,849	20,849
Project Safe Neighborhoods	16.609	1008	25,000	16,255	25,000
Justice Assistance	16.738	060-1-07-006-BH-679	491,300	1,081	459,057
Coverdell Forensic Sciences Improvement	16.742	2008-CD-BX-0028	41,015	41,015	41,015
Coverdell Forensic Sciences Improvement	16.742	2009-CD-BX-0024	60,113	-	-
AntiGang Initiative	16.744	060-1-06-001-BA-123	59,994	-	52,797

Continued on next page

CITY OF CHARLOTTE, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2010

Grantor/Pass-Through Grantor/Program Title	Federal Catalog Number	Grant Award Number	Total Grant	Current Year Expenditures	Cumulative Expenditures
AntiGang Initiative	16.744	060-1-06-001-BK-290	$ 40,280	$ -	$ 22,386
AntiGang Initiative	16.744	060-1-07-001-BK-243	141,000	6,188	140,909
Gang of One		060-1-07-001-BN-415	69,758	-	69,758
ARRA - Justice Assistance	16.803	060-1-09-R06-RJ-532	335,135	247,077	247,077
Total Pass-Through N.C. Department of Crime Control and Public Safety			1,287,551	332,465	1,078,848
Pass-Through Mecklenburg County:					
Part E - Developing, Testing and Demonstrating Promising New	16.541	2009-JL-FX-0285	900,000	27,061	27,061
State and Local Law Enforcement Assistance	16.580	2006-DD-BX-0524	148,084	11,994	136,421
Community Capacity Development	16.595	2008-WS-QX-0204	150,000	65,908	144,481
Community Capacity Development	16.595	2009-WS-QX-0138	142,000	54,083	54,083
Justice Assistance	16.738	2006-DJ-BX-0355	630,500	158,637	630,500
Justice Assistance	16.738	2007-DJ-BX-1241	994,697	276,548	947,544
Justice Assistance	16.738	2008-DJ-BX-0318	325,638	253,606	253,606
Justice Assistance	16.738	2009-DJ-BX-0178	1,060,715	404,685	404,685
Coverdell Forensic Sciences Improvement	16.742	2008-DN-BX-K411	197,245	84,016	117,248
Coverdell Forensic Sciences Improvement	16.742	170-1-06-001-BD-091	35,540	-	34,392
Congressionally Recommended	16.753	2009-DI-BX-0334	50,000	12,570	12,570
ARRA - Justice Assistance	16.803	260680	567,985	-	-
ARRA - Justice Assistance	16.804	2009-SB-B9-1703	4,453,144	1,302,241	1,302,241
ARRA - Justice Assistance	16.804	2009-SC-B9-0063	483,825	84,731	84,731
Total Pass-Through Mecklenburg County			10,139,373	2,736,080	4,149,563
Total U.S. Department of Justice			25,346,275	6,129,262	9,137,946
U.S. Department of Labor					
Pass-Through N.C. Department of Commerce:					
WIA Cluster:					
ARRA - WIA Adult Program	17.258	2008-4020-37	1,026,552	371,627	764,708
ARRA - WIA Youth Activities	17.259	2008-4030-37	1,681,622	1,236,287	1,351,434
ARRA - WIA Dislocated Workers	17.260	2008-4031-37	292,580	212,970	56,687
ARRA - WIA Dislocated Workers	17.260	2008-4040-37	1,508,961	1,403,225	1,453,045
Total WIA Cluster			4,509,715	3,224,109	3,625,874

Continued on next page

CITY OF CHARLOTTE, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2010

Grantor/Pass-Through Grantor/Program Title	Federal Catalog Number	Grant Award Number	Total Grant	Current Year Expenditures	Cumulative Expenditures
Workforce Investment Act	17.267	06-2050	$ 278,823	$ -	$ 278,823
Workforce Investment Act	17.267	07-2031	361,360	11,024	361,360
Workforce Investment Act	17.267	07-2050	360,613	20,000	360,613
Workforce Investment Act	17.267	08-2010	385,595	65,930	385,595
Workforce Investment Act	17.267	08-2020	942,382	236,576	942,382
Workforce Investment Act	17.267	08-2030	1,380,678	350,209	1,380,678
Workforce Investment Act	17.267	08-2031	455,517	411,859	411,859
Workforce Investment Act	17.267	08-2040	1,147,296	234,547	1,147,296
Workforce Investment Act	17.267	08-2050	380,362	155,243	380,362
Workforce Investment Act	17.267	09-2010	403,524	321,444	321,444
Workforce Investment Act	17.267	09-2020	1,156,741	843,291	843,291
Workforce Investment Act	17.267	09-2030	1,188,747	1,032,448	1,032,448
Workforce Investment Act	17.267	09-2031	869,366	677,141	677,141
Workforce Investment Act	17.267	09-2040	1,286,230	1,054,422	1,054,422
Workforce Investment Act	17.267	09-2050	390,353	45,933	45,933
Workforce Investment Act	17.267	09-3808	85,602	83,538	83,538
Total U.S. Department of Labor			15,582,904	8,767,714	13,333,059
U.S. Department of Transportation					
Direct Programs:					
Federal Aviation Administration:					
Airport Improvement Program	20.106	3-37-0012-39	5,000,000	-	1,891,682
Airport Improvement Program	20.106	3-37-0012-49	15,179,267	314,298	15,179,267
Airport Improvement Program	20.106	3-37-0012-51	15,359,406	10,154	15,359,405
Airport Improvement Program	20.106	3-37-0012-52	15,089,209	-	15,089,209
Airport Improvement Program	20.106	3-37-0012-54	9,506,664	1	8,315,785
Airport Improvement Program	20.106	3-37-0012-58-2009	14,340,842	3,026,807	14,340,842
Airport Improvement Program	20.106	3-37-0012-59-2009	6,905,070	6,905,070	6,905,070
Airport Improvement Program	20.106	3-37-0012-60-2009	562,500	214,344	214,344
Airport Improvement Program	20.106	3-37-0012-61-2010	17,302,493	17,302,493	17,302,493
Airport Improvement Program	20.106	3-37-0012-63-2010	3,434,194	483,691	483,691
Total Federal Aviation Administration			102,679,645	28,256,858	95,081,788

Continued on next page

CITY OF CHARLOTTE, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2010

Grantor/Pass-Through Grantor/Program Title	Federal Catalog Number	Grant Award Number	Total Grant	Current Year Expenditures	Cumulative Expenditures
Federal Transit Administration:					
Federal Transit Cluster:					
Federal Transit - Capital Investment Grants	20.500	NC-03-0048	$ 192,940,000	$ 2,633,160	$ 192,858,383
Federal Transit - Capital Investment Grants	20.500	NC-03-0056	880,000	8,508	851,654
Federal Transit - Capital Investment Grants	20.500	NC-03-0082-00	22,255,000	8,711,160	10,671,160
Federal Transit - Capital Investment Grants	20.500	NC-04-0006-00	11,326,917	1,217,291	4,480,431
Federal Transit - Capital Investment Grants	20.500	NC-04-0014-00	886,160	886,160	886,160
Federal Transit - Capital Investment Grants	20.500	NC-04-0018-00	10,557,344	-	-
Federal Transit - Capital Investment Grants	20.500	NC-04-0020-00	5,000,000	4,438,526	4,488,298
Federal Transit - Capital Investment Grants	20.500	NC-04-0021-00	380,000	(4,836)	37,649
Federal Transit - Capital Investment Grants	20.500	NC-05-0041-00	237,049	237,049	237,049
Federal Transit - Formula Grants	20.507	NC-90-X293	7,579,873	65,294	7,579,873
Federal Transit - Formula Grants	20.507	NC-90-X331	10,217,090	(9,831)	10,121,066
Federal Transit - Formula Grants	20.507	NC-90-X334	4,980,000	219,292	4,966,142
Federal Transit - Formula Grants	20.507	NC-90-X358	12,220,066	-	12,220,064
Federal Transit - Formula Grants	20.507	NC-90-X403-00	2,147,545	(185,986)	555,326
Federal Transit - Formula Grants	20.507	NC-90-X408-00	13,294,550	219,838	13,087,372
Federal Transit - Formula Grants	20.507	NC-90-X431-00	30,569,205	9,767,947	18,123,840
Federal Transit - Formula Grants	20.507	NC-95-X013-01	223,469	223,469	223,469
Federal Transit - Formula Grants	20.507	NC-95-X014-00	920,000	920,000	920,000
Federal Transit - Formula Grants	20.507	NC-95-X014-01	920,000	-	-
ARRA - Federal Transit - Formula Grants	20.507	NC-96-X006-00	20,766,306	2,915,386	2,915,386
Total Federal Transit Cluster			348,300,574	32,262,427	285,223,322
Transit Services Programs Cluster:					
Job Access - Reverse Commute	20.516	NC-37-X016-01	888,363	368,124	368,124
New Freedom Program	20.521	NC-57-X005-01	632,712	366,173	466,393
Total Transit Services Programs Cluster			1,521,075	734,297	834,517
Alternatives Analysis	20.522	NC-39-0001-00	2,695,000	1,031,950	1,031,950
Alternatives Analysis	20.522	NC-39-0002-00	237,500	182,875	182,875
ARRA - Capital Assistance for Reducing Energy Consumption	20.523	NC-77-0001-00	3,000,000	-	-
Total Federal Transit Administration			355,754,149	34,211,549	287,272,664
Total Direct Programs			458,433,794	62,468,407	382,354,452

Continued on next page

CITY OF CHARLOTTE, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2010

Grantor/Pass-Through Grantor/Program Title	Federal Catalog Number	Grant Award Number	Total Grant	Current Year Expenditures	Cumulative Expenditures
Pass-Through N.C. Department of Transportation:					
Federal Highway Administration:					
Highway Planning and Construction Cluster:					
Highway Planning and Construction	20.205	40924.3.31	$ 235,000	$ -	$ -
ARRA - Highway Planning and Construction	20.205	45051.3.ST28	485,000	272,236	272,236
ARRA - Highway Planning and Construction	20.205	45090.1.ST1 / 45090.3.S	4,000,000	1,432,965	1,432,965
Highway Planning and Construction	20.205	45111.1.1 / 45111.3.1	582,000	150,408	150,408
ARRA - Highway Planning and Construction	20.205	45651.3.ST27	800,000	313,490	313,490
Highway Planning and Construction	20.205	BRZ-NBIS (15)	239,794	239,794	239,794
Highway Planning and Construction	20.205	BRZ-NBIS (16)	232,960	-	-
Highway Planning and Construction	20.205	NC C-4405	560,000	313,781	469,299
Highway Planning and Construction	20.205	NC C-4955	3,032,800	104,692	2,106,061
Highway Planning and Construction	20.205	Section 104f	852,164	852,164	852,164
Highway Planning and Construction	20.205	U-4912	496,000	320,878	496,000
Total Federal Highway Administration			11,515,718	4,000,408	6,332,417
Federal Transit Administration:					
Federal Transit - Capital Investment Grants	20.500	36232.1.7.3 / 09-04-014	110,770	110,770	110,770
Federal Transit - Metropolitan Planning Grants	20.505	07-08-102	366,480	275,827	366,480
Federal Transit - Metropolitan Planning Grants	20.505	08-08-102	338,512	-	218,003
Federal Transit - Metropolitan Planning Grants	20.505	36230.5.8.6	379,184	379,184	379,184
Federal Transit - Metropolitan Planning Grants	20.505	36230.5.9.6	388,824	91,271	91,271
Total Federal Transit Administration			1,583,770	857,052	1,165,708
National Highway Traffic Safety Administration:					
Highway Safety Cluster:					
Alcohol Impaired Driving Countermeasures Incentive	20.601	K8-08-02-48	16,000	-	14,999
Safety Incentives to Prevent Operation of Motor Vehicles by	20.605	QN-07-17-01-14	46,224	-	41,096
Total National Highway Traffic Safety Administration			62,224	-	56,095
Total Pass-Through N.C. Department of Transportation			13,161,712	4,857,460	7,554,220
Total U.S. Department of Transportation			471,595,506	67,325,867	389,908,672

Continued on next page

CITY OF CHARLOTTE, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2010

Grantor/Pass-Through Grantor/Program Title	Federal Catalog Number	Grant Award Number	Total Grant	Current Year Expenditures	Cumulative Expenditures
U.S. Environmental Protection Agency					
Pass-Through N.C. Department of Enviornment and Natural Resources:					
ARRA - State Clean Diesel	66.040	2D-95421809-0	$ 80,000	$ 71,368	$ 71,368
ARRA - Clean Water State Revolving Funds	66.458	E-SRF-T-09-0189	1,440,496	1,247,865	1,355,327
ARRA - Clean Water State Revolving Funds	66.458	E-SRF-T-09-0190	331,510	331,510	331,510
ARRA - Clean Water State Revolving Funds	66.458	E-SRF-T-09-0244	778,081	338,297	375,382
Total Pass-Through N.C. Department of Enviornment and Natural			2,630,087	1,989,040	2,133,587
Pass-Through Mecklenburg County:					
National Clean Diesel Funding	66.039	100384	22,866	22,866	22,866
National Clean Diesel Funding	66.039	100385	16,000	12,607	12,607
National Clean Diesel Funding	66.039	100614	51,836	-	-
Total Pass-Through Mecklenburg County			90,702	35,473	35,473
Total U.S. Environmental Protection Agency			2,720,789	2,024,513	2,169,060
TOTAL FEDERAL AWARDS			601,205,062	112,892,177	459,254,699
STATE AWARDS:					
N.C. Clean Water Management Trust Fund					
Stormwater Infrastructure		2006B-702	125,000	37,780	111,788
N.C. Department of Commerce					
One NC Fund		O-2005-0078	150,000	150,000	150,000
One NC Fund		O-2008-4863	90,000	-	-
One NC Fund		O-2009-5422	1,000,000	-	-
One NC Fund		O-2009-5986	1,200,000	-	-
One NC Fund		O-2010-6112	55,000	-	-
Total N.C. Department of Commerce			2,495,000	150,000	150,000

Continued on next page

CITY OF CHARLOTTE, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2010

Grantor/Pass-Through Grantor/Program Title	Federal Catalog Number	Grant Award Number	Total Grant	Current Year Expenditures	Cumulative Expenditures
N.C. Department of Enviornment and Natural Resources					
Mobile Source Emissions Reduction		EA 07010	$ 38,000	$ 38,000	$ 38,000
N.C. Department of Transportation					
State Street Aid-Powell Bill		N/A	N/A	28,719,354	N/A
State Maintenance Assistance FY2010		Letter	12,552,209	12,552,209	12,552,209
Rail Agreement		Letter	200,000	-	-
Advanced Technology Program		03-AT-061	322,200	-	187,200
Advanced Technology Program		04-AT-001	186,300	-	99,859
State Full Funding Grant Agreement		05-NS-002	111,548,573	-	108,923,534
Advanced Technology Program		07-AT-004	765,000	62,316	765,000
State Contract Resurfacing Agreement		10CR.20601.73	311,000	184,110	184,110
Municipal Agreement		30922 31475	325,000	-	274,912
Traffic Agreement		34410.1.11 / R-2248 BB	444,746	38,603	311,644
Traffic Agreement		34410.3.28	272,684	272,684	272,684
Traffic Agreement		34813.3.8 / U-2510 A	431,438	94,877	94,877
Traffic Agreement		35066.3.1 / W-4004	862,000	862,000	862,000
Public Transportation Capital Program		36223.5.7.3 / 36223.5.7.4	730,689	(2,207)	718,686
Public Transportation Capital Program		36223.5.9.3 / 05-09-347	861,506	-	861,503
Transit Development		36223.5.13.4 / 07-DG-016	248,084	2,997	248,084
Public Transportation Apprentice Program		36223.5.14.1 / 08-DG-008	27,200	-	27,200
Public Transportation Section 5309 Capital Program		36224.26.1.1 / 09-NS-082	11,127,500	4,871,555	5,851,555
Public Transportation Rideshare Program		36225.1.7.1 / 09-RS-009	96,131	21,742	96,131
Public Transportation Rideshare Program		36225.1.8.1	103,417	29,702	29,702
Metropolitan Planning Program		36230.5.7.6 / 08-08-102	42,314	-	27,250
Metropolitan Planning Program		36230.5.8.6	47,398	47,398	47,398
Metropolitan Planning Program		36230.5.9.6	48,603	-	-
Public Transportation Section 5307 Capital Program		36231.14.2.6 / 36231.14.2	2,188,223	1,625,465	1,625,465
Public Transportation Section 5309 Capital Program		36232.1.7.3 / 09-05-041	22,848	22,848	22,848
Public Transportation Section 5309 Capital Program		36232.1.7.4 / 09-04-021	47,500	17,997	23,308
Public Transportation Section 5309 Capital Program		36232.1.7.6 / 09-04-020	625,000	619,470	625,000
Technology Program		36235.2.6.8	765,648	468,950	468,950
State Aid to Airports		36244.17.10.1	750,000	750,000	750,000

Continued on next page

CITY OF CHARLOTTE, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2010

Grantor/Pass-Through Grantor/Program Title	Federal Catalog Number	Grant Award Number	Total Grant	Current Year Expenditures	Cumulative Expenditures
Municipal Agreement		37309.1.1	$ 75,000	$ -	$ 49,840
Municipal Agreement		37772	225,000	-	38,625
Public Transportation Moving Ahead		40321 / 04-MA-0003	622,500	27,460	620,768
Municipal Agreement		40998	1,725,000	431,250	1,725,000
Municipal Agreement		41328	5,000,000	1,479,798	5,000,000
Traffic - Construction by Others Agreement		42213.3	54,000	-	-
Traffic - Construction by Others Agreement		42214.3	70,000	-	-
Traffic - Construction by Others Agreement		42614.3.1	61,500	-	-
Traffic - Construction by Others Agreement		42785	241,390	-	-
Traffic - Construction by Others Agreement		42786	80,000	-	-
Municipal Agreement		5.6732	95,545	95,545	95,545
Transit Development		9.9051996	4,100,000	4,986	4,095,529
Public Transportation		9.9052299	838,841	6,948	838,841
Bus Discreationary		NC-04-0006-00	1,356,774	152,161	500,963
Congestion Mitigation and Air Quality		NC-90-X403-00	210,556	(17,926)	53,525
Traffic Agreement		R-2248 AC & AD	525,000	353,535	525,000
Municipal Agreement		U-0209	135,783	135,783	135,783
Traffic Agreement		U-2512 A & BA	2,144,925	800,595	2,144,925
Traffic Agreement		U-2512 BB	137,320	20,520	110,833
Traffic Agreement		U-3307 A & B	584,412	291,993	584,412
Municipal Agreement		U-3411	1,700,000	-	-
Municipal Agreement		U-4911	1,229,910	262,493	262,493
Municipal Agreement		U-5014	334,247	-	48,971
Total N.C. Department of Transportation			167,500,914	55,307,211	152,782,162
N.C. Housing Trust Fund					
Housing Urgent Repair Program		URP0705	75,000	11,127	63,230
Housing Urgent Repair Program		URP08	75,000	-	-
Total N.C. Housing Trust Fund			150,000	11,127	63,230

Continued on next page

CITY OF CHARLOTTE, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2010

Grantor/Pass-Through Grantor/Program Title	Federal Catalog Number	Grant Award Number	Total Grant	Current Year Expenditures	Cumulative Expenditures
Office of the Governor					
Dispute Settlement		Letter	$ 52,500	$ 52,235	$ 52,235
The e-NC Authority					
Peg Channel		2008-246-80315-102	24,699	24,699	24,699
N.C. Department of Juvenile Justice and Delinquency Prevention					
Pass-Through Mecklenburg County:					
Multidisciplinary Gang Intervention Team		260651	62,684	-	-
N.C. Office of Emergency Medical Services					
Pass-Through Metrolina Trauma Advisory Committee:					
SMAT III		Letter	29,245	1,774	29,245
SMAT III		Letter	13,000	12,864	12,864
Total N.C. Office of Emergency Medical Services			42,245	14,638	42,109
TOTAL STATE AWARDS			170,491,042	55,635,690	153,264,223
TOTAL FEDERAL AND STATE AWARDS			$ 771,696,104	$ 168,527,867	$ 612,518,922

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal and state awards includes the federal and state grant activity of the City of Charlotte and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations and the State Single Audit Implementation Act*.

2. SUBRECIPIENTS

Of the federal expenditures presented in this schedule, the City of Charlotte provided federal awards to subrecipients as follows:

Program Title	Federal CFDA Number	Amount Provided to Subrecipients
U.S. Department of Housing and Urban Development-		
Community Development Block Grants/Entitlement Grants	14.218	$ 4,824,874
Emergency Shelter	14.231	169,291
HOME Investment Partnerships	14.239	399,853
Housing Opportunities For Persons With AIDS	14.241	539,437
ARRA - Homelessness Prevention and Rapid Re-Housing	14.257	189,705
Lead-Based Paint Hazard Control in Privately-Owned Housing	14.900	38,781
U.S. Department of Justice-		
Justice Assistance	16.738	461,360
ARRA - Justice Assistance	16.804	743,934
U.S. Department of Labor-		
ARRA - WIA Adult Program	17.258	371,627
ARRA - WIA Youth Activities	17.259	1,236,287
ARRA - WIA Dislocated Workers	17.260	1,616,194
Workforce Investment Act	17.267	5,543,605
U.S. Department of Transportation-		
Job Access - Reverse Commute	20.516	52,471
New Freedom Program	20.521	22,208

THIS PAGE INTENTIONALLY BLANK.

Finance Department - Financial Reporting
Charlotte-Mecklenburg Government Center
600 East Fourth Street, 10th Floor
Charlotte, North Carolina 28202-2848
www.charlottenc.gov