THE CITY OF CHARLOTTE MICHIGAN

PROPOSED AGENDA
REGULAR MEETING OF THE CHARLOTTE CITY COUNCIL
111 E. Lawrence Ave, Charlotte, MI 48813 (517) 543-2750
7:00 P.M. Monday, January 12, 2026

Interested persons can participate in-person or via Zoom
Connect to Zoom from your computer, tablet, or smartphone
Website: https://us02web.zoom.us/j/83164040027
One tap mobile: +16465588656,,83164040027#
Telephone: (312) 626-6799 Webinar ID: 831 6404 0027

1. **Call to Order**

2. **Roll Call**

3. **Invocation – Andy Shaver, Real Life Church**

4. **Pledge of Allegiance**

5. **Approval of Minutes**
   a. December 22, 2025 Regular Council Meeting Minutes
   b. December 29, 2025 Special Council Meeting Minutes
   c. January 5, 2026 Special Council Meeting Minutes

6. **Absence of Council Members**

7. **Public Hearing**
   a. IFC 2021 Edition (Fire Code) Ordinance 2025-09

8. **Public Comment** - Limit presentation to five (5) minutes. Attendees desiring to address council who are participating with ZOOM may raise your hand now or if attending via a phone call, press *9 (star nine) on your keypad

9. **Approval of Agenda**

10. **Special Presentation**
    a. Audit Findings and Corrective Action Plan - FY 2024-2025 Comprehensive Annual Financial Report

11. **Communications and Committee Reports**
    a. Manager Report

b. Staff Reports
c. Councilmember Committee Reports

12. Consent Agenda

a. Approval of Claims and Expenditures totaling $575,987.09
b. Approval of City Clerk Appointment - Alicia Smith
c. Approval of Guidelines for Poverty Exemptions 2026
d. Approval of Resolution 2026-01 to update authorized signatories for the new grant due to changes in leadership.
e. Approval of Mayoral Appointment to the Parks Advisory Board

13. Business Agenda

a. Consider Approval of Resolution 2026-02 To amend operating and capital budget appropriation of funds fiscal year 2025-2026
b. Consider Approval of Resolution 2026-03 to approve the request to MDOT for Converting M-79 from 4 To 3 Traffic Lanes
c. Second Reading and Consider Approval of Ordinance 2025-09 To adopt the IFC 2021 Edition (Fire Code)

14. Public Comment - Limit presentation to five (5) minutes. Attendees desiring to address council who are participating with ZOOM may raise your hand now or if attending via a phone call, press *9 (star nine) on your keypad

15. Staff Comments

16. Mayor and Council Comments

17. Adjourn

~Mikayla Middaugh, Deputy City Clerk

ADDRESSING THE CITY COUNCIL

Comments shall be made only during times set aside for that purpose.
Each citizen may speak for up to 5 minutes during each public hearing and comments period.
Comments made during public hearings shall be relevant to the subject of the public hearing.
Comments shall be made from the podium unless otherwise directed by the Mayor.
Comments shall be directed to the Mayor and Council members.
Speakers shall begin by stating their name and indicate if they are a resident or non-resident of the City.
Speakers shall refrain from using vulgarity, hate speech or "fighting words."

CITY OF CHARLOTTE COUNCIL PROCEEDINGS
111 E. Lawrence Ave., Charlotte, MI 48813 (517) 543-2750
Regular Council Meeting 7:00 p.m.
December 22, 2025

CALL TO ORDER:

By Mayor Lewis on Monday, December 22, 2025, at 7:01 p.m.

ROLL CALL:

Mayor Pro Tem Rodriguez, Council members, Fullerton, Christensen, Scott, and Chin. A quorum was met

City staff in attendance; City Manager Hillard, and Deputy City Clerk Middaugh.

PLEDGE OF ALLEGIANCE:

Led by Rodriguez

APPROVAL OF MINUTES:

a. December 08, 2025, Regular Council Meeting Minutes

Motion by Scott supported by Fullerton to approve December 08, 2025, Regular Council Meeting Minutes, as amended**.** Carried; Yea 5; Nay 0; Absent 0

ABSENCE OF COUNCIL MEMBERS:

All members present.

PUBLIC COMMENT:

Nicole Christensen, Charlotte resident and Eaton County Commissioner District 12, recommended Kevin Fullerton for mayor and Justin Brummette for the vacant council position, noting that Fullerton's extensive knowledge of the City and Brummette's leadership as planning commission chairman would benefit the council.

Don Sovey, 106 Kensington Ct., recommended that the new council team work with the Michigan Municipal League for training and leadership development to ensure stability and sustainability going forward.

Susan Williams, Charlotte resident, spoke in support of Mikaela Bliven's application for city council, highlighting her community involvement and volunteer work that has created "a wave of good through the community."

Nicholas Karn, Charlotte resident, introduced himself as a 29-year-old resident with family ties to Charlotte since the 1960s who was interested in serving on the council, noting his military service with the National Guard.

Cooper Frost, Charlotte resident, thanked the council members for their service during a time of turmoil and expressed optimism about the community engagement demonstrated by the well-attended meeting.

Kate Durda, Charlotte resident, discussed the underrepresentation of women in elected offices and encouraged the council to consider representation and use nonviolent rhetoric when conducting city business.

Andy Shaver, Pastor of Real Life Church, expressed optimism about the city's leadership and spoke in support of Kevin Fullerton, Justin Brummette, and Brian Newman as potential appointees, emphasizing their character and commitment to the community.

Justin Brummette, 340 High St., expressed disappointment that recent resignations had come via letter rather than in person, and voiced support for Kevin Fullerton as mayor.

Jodee Pruden, Charlotte resident, expressed hope that recent leadership changes would be just "a blip in the road" and supported Kevin Fullerton for mayor and Anthony Rodriguez to continue as mayor pro tem.

APPROVAL OF AGENDA:

Mayor Pro Tem Rodriguez proposed moving consent agenda item 10b (approval of resolution 2025-59 regarding MDOT converting M-79 from 4 to 3 traffic lanes) to the business agenda as item 11h.

Motion by Rodriguez supported by Christiensen, to approve the agenda, as amended. Carried; Yea 5; Nay 0; Absent 0

COMMUNICATIONS AND COMMITTEE REPORTS:

a. City Manager report

City Manager Hillard reported on the city's framework focusing on city services, community development, and neighborhood enrichment. He highlighted three projects:

- A downtown street improvement grant application being prepared by Public Works Director Stephanie Whitney
- A pending Combs Industrial Park Improvement grant application with Congressman Barrett's office
- A street plan review grant application in process

He apologized for ongoing sound system issues but noted a new system should be in place by the next meeting.

b. Council member committee reports

Council Member Chin reported that the EATRAN service would see decreased services in January, with the daily connector being discontinued. Only minimal service from Newport House would continue. He also noted they are searching for a new executive director after previously sharing one with Charlotte.

Council Member Christensen reported the Planning Commission would meet Tuesday, January 6 from 5-9 PM at the Westside Fire Station to review proposed zoning ordinance changes to align with the new master plan. The Camp Francis Committee would meet January 13 at 6:30 PM at the cabin. He added that the city manager search committee was ready to present options to the full council when needed.

Council Member Scott reported that CARC met the previous week to discuss the departure of Carmel Township and to explore new initiatives including entertainment and recreation.

CONSENT AGENDA:

a. Approval of Claims and Expenditures totaling $1,135,916.46

~~b. Approval of resolution 2025-59 regarding MDOT converting M-79 from 4 to 3 traffic lanes~~

c. Approval of Support for a Fisheries Habitat Grant on behalf of the Eaton County Parks Department

Motion by Christensen supported by Chin to approve Consent Agenda items a & c. Carried; Yea 5; Nay 0; Absent 0

BUSINESS AGENDA:

a. Confirm process for selecting City Council and Mayoral Appointments

Mayor Pro Tem Rodriguez explained the traditional process for appointing new council members: candidates would be given 5 minutes to introduce themselves, council members could ask

questions, and then nominations would be made with a majority vote required for selection. The council confirmed this process was in line with the city charter.

City Manager Hillard reminded the council to treat the interviews like job interviews and to avoid questions related to age, religion, national origin, race, color, sex, disability, or caregiving responsibilities.

b. Interview City Council Candidates

Mikaela Bliven highlighted her prior service on the planning commission and Camp Francis board, her education in political theory and constitutional democracy, and her commitment to transparency and communication.

Lucas Borma spoke about choosing Charlotte as a place to raise his family, his background in scouting and the financial industry, and his desire to keep Charlotte safe and support the downtown area.

Justin Brummette emphasized his lifelong connection to Charlotte, 12 years on the planning commission (many as chairman), business ownership, and commitment to transparency and accountability.

Jonathan Frost discussed his volunteer work with youth sports and band boosters, his background as a Marine veteran, and experience in law enforcement and consulting that taught him to bridge different perspectives.

Nicholas Karn shared his family's deep roots in Charlotte, his 11.5 years of service in the National Guard, and his desire to bring fresh ideas to the council.

Brian Newmann detailed his 21 years as a Charlotte resident, experience on the fire department, business ownership, and background in management, expressing passion for economic development and public safety.

William Rhodes spoke about his 33 years at Owens Illinois and 22 years at Candy Ford, emphasizing his problem-solving abilities and people skills.

When questioned about potential background check issues, all candidates confirmed there would be no concerns. Regarding budget experience, candidates gave varying responses from personal and small business budgeting to professional experience with larger organizational budgets.

c. Consider appointment of a City Council Member

After interviewing all candidates, the council proceeded to nominations and voting.

Council Member Chin nominated Jonathan Frost, Council Member Fullerton nominated Justin Brummette, and Mayor Pro Tem Rodriguez nominated Mikaela Bliven. After discussion, a roll call vote was taken.

Motion by Scott supported by Christensen to appoint Justin Brummette to the At-Large Council Seat. Carried by roll call vote; Yea 4; Nay 1; Absent 0, Chin voted no

d. Consider appointment of the Mayor

Council Member Chin nominated Kevin Fullerton for the position of mayor.

Council Member Christensen spoke in support of the nomination, emphasizing Fullerton's transparency, dedication to

the fire department for 52 years (34 as fire chief), and his understanding of the city manager form of government.

Mayor Pro Tem Rodriguez also supported Fullerton, noting that while he appreciated those who had encouraged him to run, his full-time business commitments would limit his availability to serve as mayor.

Motion by Chin supported by Christensen to appoint Kevin Fullerton as Mayor. Carried by roll call vote; Yea 6; Nay 0; Absent 0

e. Consider appointment of a City Council Member

With Kevin Fullerton's appointment as mayor, his District 2 council seat became vacant. Councilmember Christianson nominated Brian Newmann for the position, and Council Member Chin nominated Mikaela Bliven.

After discussion about both candidates' qualifications, including their community involvement and experience, two tie votes of 3-3 resulted. Council members discussed the difficulty of the decision, with Rodriguez suggesting they might need more time to review the candidates' qualifications.

Motion by Rodriguez supported by Scott to table the appointment decision until the next meeting. Carried by roll call vote; Yea 6; Nay 0; Absent 0

F. Consider appointment of the Mayor Pro Tem (if needed)

Mayor Fullerton asked if Anthony Rodriguez was willing to continue serving as Mayor Pro Tem, which he affirmed. No formal vote was required since he was already in the position.

G. Discuss rescheduling the Special City Council Meeting

The council discussed rescheduling the special meeting originally set for December 16 regarding city council and city manager relations/retention. Mayor Pro Tem Rodriguez emphasized the need to review materials from City Manager Hillard that could improve city operations.

After checking availability, the council agreed to hold a special meeting on December 29 at 7:00 PM to discuss these matters and also address the tabled council appointment.

H. Approval of Resolution 2025-59 (MDOT Road Conversion)

Council Member Christensen moved to approve the resolution regarding MDOT's proposal to convert M-79 from 4 to 3 traffic lanes. Mayor Pro Tem Rodriguez expressed concerns about making such a significant change without more information and public input.

Council Member Christensen explained the extensive background work that had gone into the proposal, including public meetings and coordination with MDOT. He noted the change would calm traffic, improve safety, and enhance the downtown social district by discouraging large trucks from using the route. He also emphasized that the change could be reversed if unsuccessful.

City Manager Hillard suggested it might be beneficial to delay the decision until the January 12 regular meeting to allow council members to review the details more thoroughly.

Motion by Christensen supported by Scott to table the resolution until January 12, 2026 meeting. Carried by roll call vote; Yea 6; Nay 0; Absent 0

PUBLIC COMMENT:

Several citizens offered additional comments:

John Laupp congratulated the new appointees and encouraged all candidates to remain involved in the community. As DDA chair, he raised concerns about how the DDA board seat previously held by the former mayor should be filled.

Nicole Christensen congratulated Mayor Fullerton and Councilmember Brummette, expressing optimism about the council's future.

Cooper Frost expressed support for the appointments and the decision to table the final council seat, noting the importance of council members feeling confident in their research before making a decision.

Jody Pruden congratulated the new appointees and expressed enthusiasm about the city's direction.

STAFF COMMENTS:

City Manager Hillard had no additional comments.

MAYOR AND COUNCIL COMMENTS:

Mayor Pro Tem Rodriguez thanked everyone who applied for the positions and encouraged them to consider serving on city boards or running in the next election.

Council Member Christensen expressed appreciation for the public attendance and encouraged residents to attend the upcoming special meeting. He also highlighted Helping Hands Food Pantry's expansion effort, noting they needed $77,000 to complete their funding goal.

Council Member Brummette thanked everyone who attended and emphasized the importance of transparency. He noted that his appointment created an opening on the Planning Commission.

Mayor Fullerton clarified that the M-79 resolution would be addressed at the January 12 meeting rather than the special meeting, which would focus only on the tabled council appointment, charter and ordinance discussion, and the city manager's suggestions.

ADJOURN:

Motion by Scott supported by Chin to adjourn the meeting at 9:39 p.m. Carried; Yea 6; Nay 0; Absent 0

Respectfully submitted,
Mikayla Middaugh
Deputy City Clerk

CITY OF CHARLOTTE COUNCIL PROCEEDINGS
111 E. Lawrence Ave., Charlotte, MI 48813 (517) 543-2750
Special Meeting – 07:00 P.M.
December 29, 2025

CALL TO ORDER:

By Mayor Fullerton on Monday December 29, 2025 at 07:00 p.m.

ROLL CALL:

Council members in attendance; Mayor Fullerton, Mayor Pro-Tem Rodriguez, Chin, Brummette, Scott, Rodriguez, and Christensen. A quorum was met.

City staff in attendance; Deputy City Clerk Middaugh,

PLEDGE OF ALLEGIANCE:

Led by Fullerton

ABSENCE OF COUNCIL MEMBERS:

All Council Members were present

PUBLIC COMMENT:

Several residents addressed the council regarding the appointment to fill the District 2 vacancy.

Multiple speakers expressed support for Brian Neumann, highlighting his 28 years of service at Spartan, his 17 years with the Charlotte Fire Department, his military service, and his volunteer work within the community. Speakers emphasized his character, integrity, and commitment to the city.

Others spoke in support of Mikaela Bliven, noting her education from Michigan State University, volunteer work with various organizations including Helping Hands and the Eaton County Animals, and her experience with the Planning Commission. It was mentioned that she had previously run for office, collecting signatures and receiving 40% of the vote.

One speaker addressed council representation, stating that the council currently has no female members despite women making up a significant portion of the population.

APPROVAL OF AGENDA:

Motion by Christensen supported by Rodriguez to approve the agenda. Carried; Yea 6; Nay 0; Absent 0

DISCUSSION ITEMS:

a. Consider Appointment to Fill District 2 Vacancy

The council proceeded with voting on the appointment to fill the District 2 vacancy. Two candidates had been previously nominated: Brian Neumann and Mikaela Bliven.

A roll call vote was conducted for Brian Neumann. Carried; Yea 5; Nay 1; Absent 0

Brian Neumann was elected to the District 2 seat.

b. Discussion About the City Charter, City Ordinances, and Council Meeting Operation

Mayor Fullerton led a detailed discussion about the city charter, emphasizing that any charter changes require a vote of the people and approval from the state charter commission, making it a lengthy process that could take a year or more.

The Mayor highlighted key sections of the charter including:

- The charter was approved in 1962
- Council meetings are to be held on the second and fourth Monday of each month, unless changed by ordinance
- The definition of city officers includes the mayor, council members, and administrative officers

- Rules regarding absences of council members
- Filling vacancies within 30 days
- The mayor's powers and duties, which are equal to other council members except in emergencies
- The role of mayor pro tem
- Council meeting requirements
- Conflict of interest provisions requiring members to vote on all questions unless excused
- Provisions prohibiting council interference with the city manager's duties

The council also discussed meeting operations, including:

- Plans to improve the audio system with new microphones
- The need for a formal process for council members to be recognized during meetings
- Concerns about accessibility for meetings, particularly regarding online/Zoom access
- The need to keep council comments concise

Council Member Brummette expressed interest in having written reports from committee representatives to streamline verbal reporting and provide better documentation.

c. Discussion About City Manager’s Recommendations List

The council discussed the city manager's departure, with Mayor Fullerton announcing that the city manager's last day would be February 3rd.

The council then reviewed a list of 29 recommendations from the outgoing city manager. Major discussion points included:

1. The city manager's reference to the city being "in crisis" - Council members debated whether this referred to current conditions or the situation when the manager first arrived. Several members emphasized the city is in good financial shape with significant progress being made.
2. Council-city manager communication - The importance of giving the city manager time to address issues, avoiding micromanagement, and maintaining proper channels of communication.
3. Social media and media relations - The charter designates the mayor as the ceremonial head who should handle media relations, typically delegating to the city manager.
4. Council committees - Discussion about potentially suspending ad hoc committees while maintaining charter-required committees. Concerns were raised about committees drawing too much staff time.
5. City attorney access - The recommendation that council members should go through the city manager rather than directly contacting the city attorney. Council members noted this creates tension with the charter, which allows council members to contact the attorney directly.
6. Staffing recommendations - Discussion about potential reorganization of departments and staffing needs, particularly regarding the DPW director position and utility department.
7. Meeting packet timing - The charter specifies packets must be available by Friday at noon, but several council members expressed difficulty reviewing materials over the weekend and suggested earlier distribution.

The council agreed to continue examining these recommendations with the understanding that they would not be formally adopted but would serve as guidance for future council-manager relations.

Mayor Fullerton proposed forming a committee consisting of himself, two council members, and department heads to begin the search for an interim city manager, separate from the ongoing process to select a permanent city manager.

PUBLIC COMMENT:

Cooper Frost, S. Cochran Ave., addressed the council regarding the proposed road diet for Lawrence. He identified himself as the local conversation leader of the Strong Towns organization and provided resources on road diets from the U.S. Department of Transportation. He emphasized the difference between roads (designed to move people through) and streets (designed to build a sense of place), noting that Lawrence should be considered a street rather than a road.

STAFF COMMENTS:

No Comments

MAYOR AND COUNCIL COMMENTS:

Council Member Rodriguez recommended creating a formal council policy outlining the process for filling council vacancies to avoid future confusion. He also clarified that council members receive much less compensation than what might be reported online ($2,500 per year, not $20,000-30,000).

Council Member Christensen thanked the public for their attendance and engagement. He noted the importance of the proposed road diet for improving safety and transforming the city. He also announced that he and his wife would provide free rides home on New Year's Eve for those who had consumed alcohol.

Council Member Neumann thanked those who had supported him and expressed his commitment to serving on the council.

Council Member Brummette expressed appreciation for the discussion during the meeting and the public's engagement. He emphasized the importance of stability in city government and thanked his wife for supporting his council service.

ADJOURN:

Motion by Rodriguez supported by Scott to adjourn at 09:17 p.m. Carried. Yea 7; Nay 0; Absent 0

Respectfully submitted,
Mikayla Middaugh, Deputy City Clerk

CITY OF CHARLOTTE COUNCIL PROCEEDINGS
111 E. Lawrence Ave., Charlotte, MI 48813 (517) 543-2750
Special Meeting – 07:00 P.M.
January 05, 2026

CALL TO ORDER:

By Mayor Fullerton on Monday January 05, 2026 at 07:00 p.m.

ROLL CALL:

Council members in attendance; Mayor Fullerton, Mayor Pro-Tem Rodriguez, Chin, Brummette, Scott, Neumann, Rodriguez, and Christensen. A quorum was met.

City staff in attendance; Deputy City Clerk Middaugh,

PLEDGE OF ALLEGIANCE:

Led by Fullerton

ABSENCE OF COUNCIL MEMBERS:

All Council Members were present

PUBLIC COMMENT:

Richard Deer, a city resident, addressed the council regarding the recommendations provided by the outgoing City Manager Rob. Mr. Deer expressed concern that the council hadn't taken these recommendations seriously enough, noting that the document represented a valuable resource for the incoming city manager. He urged the council to treat every item on Rob's list with serious consideration, calling it "the closest thing we're going to have to an exit interview" and important for maintaining longevity of future city managers.

APPROVAL OF AGENDA:

Motion by Christensen supported by Scott to approve the agenda. Carried; Yea 7; Nay 0; Absent 0

DISCUSSION ITEMS:

a. Discuss Permanent City Manager Selection Committee Report and Direction to Proceed

Council Member Rodriguez reported as the committee chairman, noting that the committee (consisting of Rodriguez, Scott, and Christensen) had met to evaluate options for hiring a permanent city manager.

Council Member Rodriguez indicated his personal recommendation was to hire an interim manager quickly, possibly allowing a week of overlap with the outgoing manager. He suggested not promoting from within as department heads already have full workloads. He noted that Councilmember Christensen had researched options for handling the hiring process internally.

Council Member Christensen shared that after extensive research, he had changed his position and now recommended using a professional search firm despite his earlier interest in handling the process internally. He cited numerous legal pitfalls that could arise during the hiring process, stating that "one misstep can really ultimately cost us a lot." He mentioned he had been researching city manager positions throughout the state to understand salary structures and longevity patterns, noting his interest in finding candidates who are ready to step up from assistant manager positions.

Council Member Scott concurred with the recommendation to use a search firm, noting the potential liability issues that could arise from handling the process internally. He also mentioned that his business commitments would make it difficult to dedicate sufficient time if they were to manage the search in-house. He reported that in discussions with Mr. Hilliard, he learned that candidates might view a city conducting its own search as a red flag, especially without a full HR department.

The committee unanimously recommended issuing an RFP to engage a professional search firm for the permanent city manager position.

Mayor Fullerton explained that the process would require obtaining quotes from firms according to the city's purchasing manual, which would be handled by the current city manager. She noted that with an interim in place, the committee would have adequate time to conduct a thorough search for a permanent manager.

Council Member Chin mentioned that search firms often know managers looking specifically for interim positions, which could assist with the immediate need. He also emphasized the importance of gathering input from department heads regarding what they're looking for in a new manager.

Council Member Rodriguez assured the council that the committee would not take action without full council support and would ensure that all council members have input on the direction of the search process.

Council Member Christensen added that the council would need to establish parameters regarding the experience level and qualifications they're seeking in candidates, noting that having an interim manager would afford them time to invest in finding the right permanent manager.

Motion by Christensen supported by Scott to hire a professional firm to search for a permanent city manager. Carried. Yea 7; Nay 0; Absent 0

b. Consider Mayor’s Recommendation To Form Interim City Manager Selection Committee

Mayor Fullerton presented her recommendation to form an interim city manager selection committee consisting of herself, one council member, the current city manager, and all city department heads. She emphasized the need to begin the search immediately.

Councilmember Brummette expressed support for including department heads on the committee, noting it would give staff an opportunity to provide input on challenges they face and what would make their jobs more manageable.

Mayor Fullerton clarified that the committee would have no hiring power and would only provide recommendations to the full council. She mentioned that their goal would be to identify candidates quickly, ideally presenting options at the next council meeting.

Councilmember Scott expressed appreciation for including department heads in the process, noting it was important to them.

Motion by Brummette supported by Scott to approve the mayor’s recommendation to form an interim city manager selection committee consisting of the Mayor Fullerton, Council Member Brummette, the current City Manager, and all City Department Heads. Carried. Yea 7; Nay 0; Absent 0

PUBLIC COMMENT:

Don Sovey, 106 Kensington Ct., suggested developing or reviewing a job description for the city manager position, recommending that the outgoing manager Rob would be the best person to help with this task.

Jodee Pruden commented online, suggesting that department heads should submit their input in writing to ensure that

conflicting opinions would be captured even if individuals were hesitant to speak up in group settings.

STAFF COMMENTS:

No Comments

MAYOR AND COUNCIL COMMENTS:

Council Members expressed appreciation to the fire department for their invitation to the awards banquet. Council Member Chin noted the challenges of competing with larger cities on pay scale when searching for a city manager and mentioned the increased number of municipalities currently seeking managers.

Councilmember Christensen reported that the audio system was improving each week and thanked everyone who attended the fire department awards banquet on Saturday, noting the hall was full and the event was well organized.

Council Member Rodriguez commented on the importance of taking Mr. Hillard's list of recommendations seriously and expressed his hope that the next city manager would review the list and possibly provide additional suggestions for policy changes to improve operations. He also thanked the fire and police departments for their dedication, particularly referencing their handling of a recent incident.

Mayor Fullerton thanked the council for attending the special meeting and expressed appreciation for getting the manager search process started.

ADJOURN:

Motion by Christensen supported by Scott to adjourn at 7:38 p.m. Carried. Yea 7; Nay 0; Absent 0

Respectfully submitted,
Mikayla Middaugh, Deputy City Clerk

THE CITY OF CHARLOTTE MICHIGAN

Memo

To: City Manager Rob Hilard; Honorable Mayor Lewis; City Council
From: Christina Horton, Finance Director/Treasurer
Date: January 12, 2026
Re: Summary of Audit Findings and Corrective Action Plan – FY 2024–2025 Comprehensive Annual Financial Report

Background

The City has received the Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2025. As part of the annual audit, the independent auditors identified three reportable findings related to internal controls and budgetary compliance. Management has developed and initiated corrective action plans for each finding to strengthen financial controls, improve monitoring processes, and ensure compliance with applicable accounting and budgeting requirements.

Summary of Audit Findings

Finding 2025-001 – Material Journal Entries
The auditors identified material year-end audit adjustments related to several significant accounting areas that were not detected through existing internal control processes prior to audit.

Finding 2025-002 – Bank Reconciliations
Bank reconciliations for certain City accounts were not completed and reviewed in a timely manner.

Finding 2025-003 – Budgetary Compliance
Certain funds incurred expenditures in excess of appropriations, and one fund was amended to reflect a deficit ending fund balance.

Management's Corrective Action Plan

To address these findings, the Finance Department is implementing a comprehensive set of corrective measures, including:

- Strengthening Financial Reporting Controls
  - Development and implementation of a formal written year-end closing checklist
  - Completion and documentation of key balance sheet reconciliations prior to audit fieldwork
  - Quarterly reconciliation and supervisory review of major accounts

- Improving Bank Reconciliation Procedures
  - Monthly reconciliation of all bank accounts within 30 days of month-end
  - Formal documentation of independent review and approval

    - Use of reconciliation logs to monitor timeliness and resolution of variances

- Enhancing Budget Monitoring and Compliance
    - Implementation of a formal quarterly budget review process
    - Improved departmental communication regarding projected budget variances
    - Verification that no fund is adopted with a deficit ending fund balance

- Grant and Special Revenue Oversight
    - Adoption of a formal grant accounting and budgeting policy to ensure timely and accurate recognition of grant activity

- Professional Support and Capacity Building
    - Engagement of an external municipal accounting advisory firm to provide mentorship, technical guidance, and best-practice development in Michigan governmental accounting
    - Ongoing training and cross-training of Finance staff to promote sustainability and continuity

Implementation Timeline

All corrective actions are scheduled for full implementation no later than June 30, 2026, with several measures already underway or in progress.

Conclusion

Management takes these audit findings seriously and is committed to strengthening internal controls, improving financial reporting accuracy, and ensuring full compliance with applicable accounting and budgeting requirements. The corrective actions outlined above are intended to enhance long-term financial stability, transparency, and accountability for the City of Charlotte.

Please feel free to contact me with any questions or if additional information is desired.

Maner Costerisan

2425 E. Grand River Ave.,
Suite 1, Lansing, MI 48912
517.323.7500
517.323.6346

December 18, 2025

To the Honorable Mayor and
Members of the City Council
City of Charlotte, Michigan

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Charlotte, Michigan (the City) for the year ended June 30, 2025. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated October 16, 2025. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City of Charlotte are described in Note 1 to the financial statements. As described in Note 13 to the financial statements, the City adopted Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*, and GASB Statement No. 102, *Certain Risk Disclosures,* during the year ended June 30, 2025. Accordingly, the cumulative effects of the accounting changes are reported in the applicable financial statements and note disclosures. We noted no transactions entered into by the City of Charlotte during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

Management's calculation of the depreciation expense is based on the estimated useful lives of the capital assets.

Management's calculation of the accrued compensated absences is based on current hourly rates, historical usage, and policies regarding payment of sick and vacation banks while the current and noncurrent portions of compensated absences was based on an estimate of the percentage of employees' use of compensated absences.

Management's calculation of the allowance for doubtful accounts is based on historical collection rates.

The calculation of the net pension liability and related deferred outflows and inflows of resources is based on an actuarial study which utilized certain actuarial assumptions.

The calculation of the net other post-employment benefits liability and related deferred outflows and inflows of resources is based upon an actuarial study which utilized certain actuarial assumptions.

We evaluated the key factors and assumptions used to develop these accounting estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. The following material misstatements detected as a result o audit procedures were corrected by management: accounts receivable, amounts due from other governmental units, capital assets, prepaid expenditures, unearned revenue, beginning net position, accounts payable, bonds payable, accrued liabilities, net pension liability, net OPEB liability, and related deferred outflows and inflows of resources.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 18, 2025.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the City of Charlotte's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City of Charlotte's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on other supplementary information, which accompanies the financial statements but is not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or, to the financial statements themselves.

We were not engaged to report on the introductory and statistical sections, which accompany the financial statements but are not RSI. We did not audit or perform other procedures on this other information, and we do not express an opinion or provide any assurance on it.

Restriction on Use

This information is intended solely for the use of the City Council and management of the City of Charlotte and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Maney Costerisan PC

CITY OF CHARLOTTE, MICHIGAN

ANNUAL COMPREHENSIVE FINANCIAL REPORT

YEAR ENDED JUNE 30, 2025

Prepared by: Office of Finance and Treasury

TABLE OF CONTENTS

Page

INTRODUCTORY SECTION 1

Letter of Transmittal 2-5
List of City Officials 6
Organizational Chart 7

FINANCIAL SECTION 8

INDEPENDENT AUDITOR'S REPORT 9-12

MANAGEMENT'S DISCUSSION AND ANALYSIS 13-19

BASIC FINANCIAL STATEMENTS 20

Government-wide Financial Statements
- Statement of Net Position 21
- Statement of Activities 22

Fund Financial Statements
- Governmental Funds
  - Balance Sheet 23
  - Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position 24
  - Statement of Revenues, Expenditures, and Changes in Fund Balances 25
  - Reconciliation of the Changes in Fund Balances of the Governmental Funds to the Statement of Activities 26
- Proprietary Funds
  - Statement of Net Position 27
  - Statement of Revenues, Expenses, and Changes in Net Position 28
  - Statement of Cash Flows 29-30
- Fiduciary Funds
  - Statement of Fiduciary Net Position 31
  - Statement of Changes in Fiduciary Net Position 32

Component Unit Financial Statements
- Combining Statement of Net Position 33
- Combining Statement of Activities 34

Notes to Financial Statements 35-64

REQUIRED SUPPLEMENTARY INFORMATION 65

Budgetary Comparison Schedule - General Fund 66
Budgetary Comparison Schedule - Major Streets Fund 67
Budgetary Comparison Schedule - Local Streets Fund 68
Budgetary Comparison Schedule - Fire Fund 69

Defined Benefit Pension Plan
- Schedule of Changes in the City's Net Pension Liability and Related Ratios 70
- Schedule of City Contributions 71

TABLE OF CONTENTS

Page

REQUIRED SUPPLEMENTARY INFORMATION (concluded)

Other Post-Employment Benefits Plan
- Schedule of Changes in the Plan's Net OPEB Liability and Related Ratios ... 72
- Schedule of Employer OPEB Contributions ... 73
- Schedule of OPEB investment returns ... 74

Notes to Required Supplementary Information ... 75-76

OTHER SUPPLEMENTARY INFORMATION ... 77

Nonmajor Governmental Funds
- Fund Descriptions ... 78
- Combining Balance Sheet ... 79
- Combining Statement of Revenues, Expenditures, and Changes in Fund Balances ... 80
- Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual ... 81-85

Internal Service Funds
- Fund Descriptions ... 86
- Combining Statement of Net Position ... 87
- Combining Statement of Revenues, Expenses, and Changes in Net Position ... 88
- Combining Statement of Cash Flows ... 89

Custodial Funds
- Fund Descriptions ... 90
- Combining Statement of Fiduciary Net Position ... 91
- Combining Statement of Changes in Fiduciary Net Position ... 92

STATISTICAL SECTION (UNAUDITED) ... 93

MULTI-YEAR AND OTHER FINANCIAL AND DEMOGRAPHIC INFORMATION

Statistical Section Description ... 94
- Financial Trends
  - Net Position by Component ... 95
  - Changes in Net Position ... 96-97
  - Fund Balances - Governmental Funds ... 98
  - Changes in Fund Balances - Governmental Funds ... 99
- Revenue Capacity
  - Taxable Value and Actual Value of Taxable Property ... 100
  - Direct and Overlapping Property Tax Rates ... 101
  - Principal Property Taxpayers ... 102
  - Property Tax Levies and Collections ... 103
- Debt Capacity
  - Ratios of Outstanding Debt ... 104
  - Ratios of General Bonded Debt Outstanding ... 105
  - Direct and Overlapping Governmental Activities Debt ... 106
  - Legal Debt Margin ... 107
  - Pledged-Revenue Coverage ... 108

TABLE OF CONTENTS

Page

STATISTICAL SECTION (UNAUDITED) (concluded)

MULTI-YEAR AND OTHER FINANCIAL AND DEMOGRAPHIC INFORMATION (concluded)

Demographic and Economic Information
Demographic and Economic Statistics 109
Principal Employers 110
Operating Information
Full Time Equivalent Government Employees 111
Operating Indicators 112
Capital Asset Information 113

INTRODUCTORY SECTION

THE CITY OF CHARLOTTE MICHIGAN

December 18, 2025

To the Honorable Mayor, Members of the City Council, and Citizens of the City of Charlotte:

The annual comprehensive financial report of the City of Charlotte for the year ended June 30, 2025 is hereby submitted as required by both local ordinances and state statutes. These ordinances and statutes require the City of Charlotte to annually issue a report on its financial position and activity, and that this report be audited by an independent firm of certified public accountants. Responsibility for both the accuracy of the data as well as the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner that presents fairly the financial position and results of operations of the various funds and component units of the City of Charlotte. All disclosures necessary to enable the reader to gain an understanding of the City of Charlotte's activities have been included.

THE REPORTING ENTITY AND ITS SERVICES

The City of Charlotte is located in the heart of Michigan, 18 miles southwest of the capital city of Lansing. The City currently has a land area of approximately 5 ½ square miles and a population of 9,299 per 2020 Census. Charlotte is located on Interstate 69 and near its intersection with Interstates 94 and 96. Charlotte is also served by two state trunkline highways: M-50 and M-79. The City is also located on a rail line operated by the Canadian National Railway These highways and rail routes provided excellent access to all major markets in Michigan, the Midwest, and Canada.

Only 200 years ago, the land on which the city is located was an overgrown prairie with an abundance of wildflowers, inhabited by Chippewa and Pottawatomie Indians. Indian paths crisscrossed the area, and one trail became the preferred route for early pioneers. Running from Detroit to Grand Rapids, settlers named it Clinton Trail; today it is known as state highway M-50. The pioneer settlement located in the middle of Eaton County was incorporated as a village in 1863. Railroads brought growth to Michigan and Charlotte grew as well. Charlotte was incorporated as a city in 1871. Several beautiful homes and buildings in the downtown area, which still survive today, characterize the growth of the city. E.B. Bostwick, an early landowner, held the contract for all of Eaton County and suggested the city be named for his new bride, Charlotte (pronounced Shar-LOT).

The City's most notable attributes are its outstanding schools and parks; the Eaton County government complex; Sparrow Eaton Hospital and the ALIVE! facility; and the developing Combs Industrial Park, which consists of approximately 190 acres.

The City provides a full range of municipal services as established by statute or charter. These services include police and fire protection, water and sewer utility services, the construction and maintenance

of roads, streets and infrastructure, recreational activities, economic and community development, and general administrative services.

For financial reporting purposes, this report includes all governmental, proprietary, and fiduciary funds of the City of Charlotte as well as its component units. Component units are legally separate entities for which the primary government is financially accountable. The City of Charlotte Downtown Development Authority (DDA), the Local Development Financing Authority (LDFA) and Brownfield Redevelopment Authority are reported as discretely presented component units. Discretely presented component units are reported in a separate column in the combined financial statements to emphasize that they are legally separate from the primary government and to differentiate their financial position, results of operations, and cash flows from those of the primary government.

ECONOMIC CONDITION AND OUTLOOK

The 2024-25 fiscal year saw an increase in property tax revenues, along with the first disbursement of marijuana excise revenue and a substantial amount in federal grant revenues. Expenses realized a moderate decrease compared to fiscal year 2024, mainly due to expenditures recognized related to federal programs in fiscal year 2023.

During fiscal year 2024–2025, the City of Charlotte was awarded a CHILL Grant funded by the Michigan State Housing Development Authority (MSHDA). This grant supports community initiatives designed to enhance neighborhood stability, resident well-being, and overall quality of life. Funding from this program assists the City in advancing efforts consistent with its strategic priorities, including community engagement, public safety, and long-term livability.

During fiscal year 2024–2025, the City of Charlotte continued its commitment to maintaining and improving local roadway infrastructure. Work completed or initiated during the year included resurfacing and rehabilitation projects on priority local streets, curb and gutter repairs, and ADA compliance upgrades to improve accessibility and pedestrian safety. The City also continued engineering, planning, and coordination for upcoming street improvement projects, including collaboration with the Michigan Department of Transportation (MDOT) on future state trunkline work through the community. These efforts support long-term asset preservation, enhanced mobility, and improved neighborhood connectivity.

The City received its eleventh installment of Eaton County's 12-year dedicated street infrastructure millage, approved by voters in November 2014. The City received nearly $415 thousand from this source in fiscal year 2025. These funds are dedicated to reconstruction and rehabilitation projects identified in the Council-adopted street improvement plan.

MAJOR INITIATIVES

Following are highlights of some of the City's major projects recently completed or planned for the future:

Street and Road Improvements Program: During fiscal year 2024–2025, the City continued significant investment in roadway infrastructure through resurfacing and rehabilitation projects on priority local streets, along with curb and gutter work and

ADA accessibility upgrades. Engineering and project planning also advanced for future pavement needs, and coordination continued with the Michigan Department of Transportation on upcoming state trunkline improvements through the community. These efforts support mobility, safety, and long-term preservation of the City's transportation network.

Downtown Economic Development Planning: major focus during the fiscal year was continued planning related to downtown revitalization and economic enhancement. The City advanced work associated with the Downtown Development Authority (DDA) Development Plan and potential district expansion, supporting targeted economic development efforts, redevelopment opportunities, and strategic investment in the City's core commercial area. These planning efforts help position Charlotte for long-term economic stability and growth.

ACCOUNTING SYSTEM AND BUDGETARY CONTROL

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

The City's accounting records for general governmental operations are maintained on a modified accrual basis, with revenues (receivables) being recorded when available and measurable and expenditures (liabilities) being recorded when the services or goods are received. Accounting activity for the City's enterprise funds and internal service funds are maintained on the full-accrual basis. Assets used in governmental fund-type operations and long-term liabilities expected to be financed from governmental funds are accounted for in the government-wide level statements, not in the governmental fund statements.

Management of the City is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft, or misuse, and to ensure that accurate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles GAAP). Internal accounting controls are designed to provide reasonable, but not absolute, assurance that these objectives will be met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal, state, and local financial assistance (grants), the City is responsible for ensuring that an adequate internal control structure is in place to ensure and document compliance with the applicable laws and regulations related to these programs. This internal control is subject to periodic evaluation by senior management of the City and the external independent audit staff retained by the City for required annual audits.

The City maintains extensive budgetary controls. The objective of these controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Council.

Activities of the General Fund and special revenue funds are included in the annual appropriated budget. Project-length budgets are prepared for capital projects funds, if any. The level of budgetary control (i.e., the level at which expenditures cannot legally exceed the appropriated amount) is the functional level (activity) within each fund.

CASH MANAGEMENT AND INVESTMENTS

The City is conservative in its approach to cash management with a realization that there is a time value to money. A high priority has been placed on procedures to ensure that all monies due to the City are collected and deposited as promptly as possible. Disbursements are closely controlled and wire and ACH transfers are used whenever appropriate.

Of equal importance is the emphasis on investment portfolio management. During the year, the City's investment earnings were primarily attributable to the use of a sweep account, with additional earnings from an investment with MiCLASS. These investments are consistent with the City's policy to minimize credit and market risk while maintaining a competitive yield on its portfolio.

INDEPENDENT AUDIT

State law requires an annual audit by independent certified public accountants. The auditing firm of Manor Costerisan PC., was selected to conduct the required audit and their report is included in the Annual Comprehensive Financial Report.

I want to thank the City's staff for their cooperation and assistance throughout the past year. City staff continues to work hard to ensure we continue to maintain a high level of city services. I also appreciate the support extended by the Mayor and City Council throughout the year.

On behalf of the City of Charlotte, I respectfully submit this annual report.

Sincerely,



Robert Hillard
City Manager

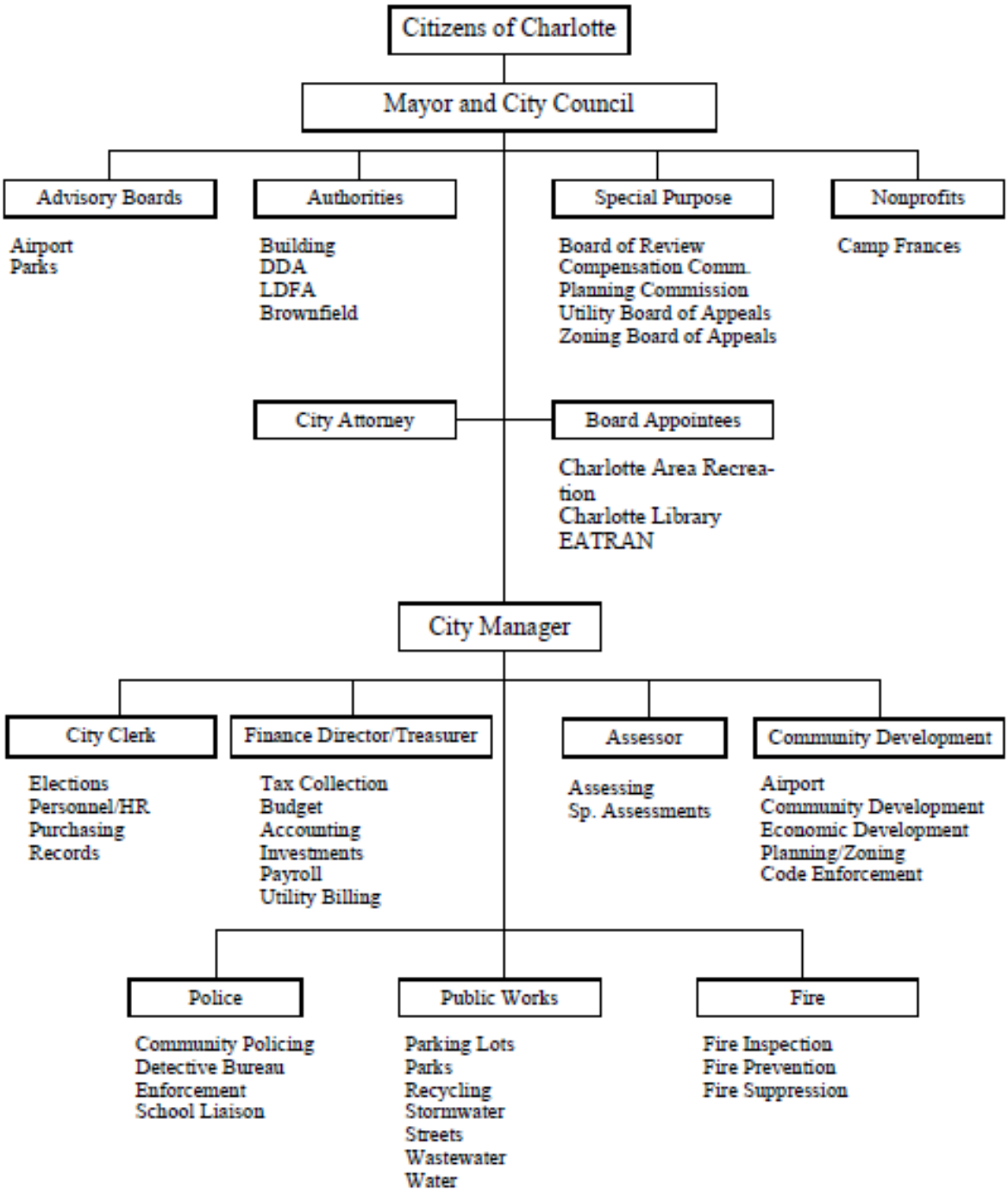
CITY OF CHARLOTTE
LIST OF CITY OFFICIALS
YEAR ENDED JUNE 30, 2025

ELECTED OFFICIALS

Tim Lewis, Mayor
Michael Duweck, Mayor Pro-Tem
Curtis Scott, Councilmember
Anthony Rodriguez, Councilmember
Jeffrey Christensen, Councilmember
Kevin Fullerton, Councilmember
Joseph Chin Jr., Councilmember

APPOINTED OFFICIALS

Robert Hillard, City Manager
Kevin Christiansen, Fire Chief
Anthony Meyaard, Assessor (contracted)
Christina Horton, Finance Director/Treasurer
Mary Larocque, City Clerk
Amy Gilson, Director of Public Works
Paul Brentar, Police Chief
Vacant, Community Development
Thomas Hitch, City Attorney (contracted)


Citizens of Charlotte
Mayor and City Council
Advisory Boards
Airport
Parks
Authorities
Building
DDA
LDFA
Brownfield
Special Purpose
Board of Review
Compensation Comm.
Planning Commission
Utility Board of Appeals
Zoning Board of Appeals
Nonprofits
Camp Frances
City Attorney
Board Appointees
Charlotte Area Recrea-
tion
Charlotte Library
EATRAN
City Manager
City Clerk
Elections
Personnel/HR
Purchasing
Records
Finance Director/Treasurer
Tax Collection
Budget
Accounting
Investments
Payroll
Utility Billing
Assessor
Assessing
Sp. Assessments
Community Development
Airport
Community Development
Economic Development
Planning/Zoning
Code Enforcement
Police
Community Policing
Detective Bureau
Enforcement
School Liaison
Public Works
Parking Lots
Parks
Recycling
Stormwater
Streets
Wastewater
Water
Fire
Fire Inspection
Fire Prevention
Fire Suppression

FINANCIAL SECTION

Maner Costerisan

2425 E. Grand River Ave.,
Suite 1, Lansing, MI 48912
517.323.7500
517.323.6346

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and
Members of the City Council
City of Charlotte, Michigan

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, 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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Changes in Accounting Principles

As discussed in Note 13 to the financial statements, in 2025 the City adopted new accounting guidance, GASB Statement No. 101, *Compensated Absences*, and GASB Statement No. 102, *Certain Risk Disclosures*. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and historical pension and other post-employment benefits supplementary information, as identified in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The other supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2025, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Maney Costerisan PC

December 18, 2025

CITY OF CHARLOTTE
MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Charlotte, Michigan (the "City" or "government"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2025. We encourage readers to consider the information presented here in conjunction with the basic financial statements and additional information that we have furnished in our letter of transmittal (pages 2-5).

Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by $37.39 million (*net position*).

- The City had total revenue of $17.4 million and total expenses of $15.7 million resulting in an increase in total net position by $1.6 million.

- As of the close of the 2025 fiscal year, the City's *governmental funds* reported combined ending fund balances of $7.8 million, an increase of $0.5 million in comparison of the prior year. Approximately 35% of the combined fund balances, or $2.75 million was available for spending at the government's discretion *("unassigned fund balance")*.

- The General Fund fund balance was $3.8 million, or 47% of the total General Fund expenditures and other financing uses. Of the total $3.8 million fund balance, $135k was nonspendable, leaving $3.61 million, or 46% of expenditures and other financing uses. The unassigned fund balance for the General Fund was $2.75 million, or 35% of total General Fund expenditures and other financing uses.

Overview and Analysis of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the City of Charlotte's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to private-sector business.

The *statement of net position* presents information on all of the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference between these items reported as *net position*. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused vacation and sick leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, public works, community development, and recreation and culture. The business-type activities of the City include water supply and sewage disposal and recycling.

The government-wide financial statements include not only the City itself (known as the *primary government*), but also legally separate entities for which the City is financially accountable. Financial information for these *component units* are reported separately from the financial information presented for the primary government itself. The Building Authority and Camp Frances, although also legally separate, function for all practical purposes as departments of the City, and therefore have been included as an integral part of the primary government.

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on the *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains several individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the City's General Fund, Major Streets Fund, Local Streets Fund, and Fire Fund, which are considered to be major funds of the City. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The City adopts an annual appropriated budget for its general and special revenue funds. Budgetary comparison statements have been provided herein to demonstrate compliance with those budgets.

Proprietary Funds

The City maintains two different types of proprietary funds, *enterprise funds* and *internal service funds*. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for the Water Supply and Sewage Disposal and Recycling funds. *Internal service funds* are an accounting device used to accumulate and allocate cost internally among the City's various functions. The City uses internal service funds to account for its motor vehicle pool and information technology. These services predominantly benefit governmental rather than business-type functions, therefore, they have been allocated to *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for Water Supply and Sewage Disposal which is considered to be a major fund of the City. The nonmajor enterprise fund and internal service funds are combined into single, aggregated presentations in the proprietary fund financial statements.

The basic proprietary fund financial statements include the *statement of cash flows*. The *statement of cash flows* allows financial statement users to assess the proprietary funds' adequacy or ability to generate sufficient cash flows to meet its obligations in a timely manner. The statement is classified into four categories: 1) cash flows from operating activities, 2) cash flows from non-capital financing activities, 3) cash flows from capital and related financing activities, and 4) cash flows from investing activities.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information*. This is limited to schedules concerning the City's progress in funding its obligation to provide pension and other post-employment benefits to its employees.

The combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds, are presented immediately following the required supplementary information.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Charlotte, assets exceeded liabilities by $37,389,335 at the close of the most recent fiscal year. The following chart illustrates the composition of net position:

	Governmental Activities		Business-type Activities		Total	
	2024*	2025	2024*	2025	2024*	2025
ASSETS						
Current and other assets	$ 9,170,660	$ 9,618,809	$ 4,827,919	$ 6,034,262	$ 13,998,579	$ 15,653,071
Capital assets, net	20,079,136	20,364,962	15,106,065	14,758,413	35,185,201	35,123,375
TOTAL ASSETS	29,249,796	29,983,771	19,933,984	20,792,675	49,183,780	50,776,446
DEFERRED OUTFLOWS OF RESOURCES	1,727,511	1,241,303	347,846	240,171	2,075,357	1,481,474
LIABILITIES						
Current liabilities	1,449,110	1,825,850	196,386	151,879	1,645,496	1,977,729
Noncurrent liabilities	11,731,448	10,894,496	1,980,877	1,870,162	13,712,325	12,764,658
TOTAL LIABILITIES	13,180,558	12,720,346	2,177,263	2,022,041	15,357,821	14,742,387
DEFERRED INFLOWS OF RESOURCES	120,164	107,275	24,528	18,923	144,692	126,198
NET POSITION						
Net investment in capital assets	18,735,597	19,203,900	15,106,065	14,758,413	33,841,662	33,962,313
Restricted	3,385,172	4,055,689	-	-	3,385,172	4,055,689
Unrestricted	(4,444,184)	(4,862,136)	2,973,974	4,233,469	(1,470,210)	(628,667)
TOTAL NET POSITION	$ 17,676,585	$ 18,397,453	$ 18,080,039	$ 18,991,882	$ 35,756,624	$ 37,389,335

*The 2024 numbers have not been updated for the adoption of GASB 101.

A significant portion of the City's net position, $33,962,313, reflects its investment in capital assets (e.g., land, buildings and improvements, vehicles and equipment, and infrastructure), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position, $4,055,689, represents resources that are subject to external restrictions on how they may be used. Restricted net position includes amounts set aside for debt service and externally mandated commitments. The remaining balance of *unrestricted net position*, the amount that may be used to meet the government's ongoing obligations to citizens and creditors, is ($628,667), representing the amount of resources that the City could utilize to promptly satisfy all accrued future liabilities.

Generally accepted accounting principles (GAAP) require that the City show our liability for pension benefits promised in the future as a liability on our entity-wide financial statements. An actuarial valuation as of December 31, 2024, provided a total pension liability of $26,575,881. The City had plan fiduciary net position of $15,737,496 as of plan year-end, with a net pension liability of $10,838,385. The net pension liability was allocated to the Governmental Activities and Business-type Activities.

GAAP also require that the City show our liability for retiree health care and death benefits, or other post-employment benefits (OPEB) promised in the future as a liability on our entity-wide financial statements. An actuarial valuation as of June 30, 2025, provided a total OPEB liability of $921,857. The City's plan fiduciary net position was $318,155. The resulting net OPEB liability of $603,702 was allocated to the Governmental Activities.

The government's total net position increased by $1.6 million or 4.6%. This net increase was a combination of a $678 thousand increase in governmental activities net position and a $1.0 million increase in business-type activities net position.

City of Charlotte's Changes in Net Position
For the Year Ended June 30, 2024 and June 30, 2025

	Governmental Activities		Business-type Activities		Total	
	2024*	2025	2024*	2025	2024*	2025
REVENUES						
Program revenue						
Charges for services	$ 1,302,520	$ 1,248,510	$ 5,034,665	$ 4,780,123	$ 6,337,185	$ 6,028,633
Operating grants and contributions	4,005,778	3,306,306	34,223	30,926	4,040,001	3,337,232
Capital grants and contributions	1,516,987	493,577	343,775	-	1,860,762	493,577
General revenue						
Property taxes	4,856,572	5,636,621	24,791	25,510	4,881,363	5,662,131
Marijuana taxes	-	174,686	-	-	-	174,686
State shared revenues - unrestricted	1,191,438	1,194,282	-	-	1,191,438	1,194,282
Investment earnings	307,701	343,351	96,837	108,502	404,538	451,853
Gain on disposal of capital assets	249,829	26,852	-	-	249,829	26,852
Other	-	5	59,633	25,968	59,633	25,973
TOTAL REVENUES	13,430,825	12,424,190	5,593,924	4,971,029	19,024,749	17,395,219
EXPENSES						
General government	1,756,703	2,204,849	-	-	1,756,703	2,204,849
Public safety	4,291,076	6,498,849	-	-	4,291,076	6,498,849
Public works	1,800,537	2,345,793	-	-	1,800,537	2,345,793
Community development	418,468	356,331	-	-	418,468	356,331
Recreation and culture	343,267	308,277	-	-	343,267	308,277
Interest on long-term debt	37,371	32,092	-	-	37,371	32,092
Water supply and sewage disposal	-	-	4,021,569	3,925,584	4,021,569	3,925,584
Recycling	-	-	57,694	77,554	57,694	77,554
TOTAL EXPENSES	8,647,422	11,746,191	4,079,263	4,003,138	12,726,685	15,749,329
Change in net position	4,783,403	677,999	1,514,661	967,891	6,298,064	1,645,890
Net position - beginning of year	12,893,182	17,719,454	16,565,378	18,023,991	29,458,560	35,743,445
Net position - end of year	$ 17,676,585	$ 18,397,453	$ 18,080,039	$ 18,991,882	$ 35,756,624	$ 37,389,335

*The 2024 numbers have not been updated for the adoption of GASB 101.

Governmental Activities

Governmental activities increased the City's net position $678 thousand in 2025 as compared to a net increase of $4.78 million in 2024. Governmental revenues decreased by $848 thousand or 6% due primarily to operating and capital grants and contributions. There was an increase of total governmental expenses as compared to 2024 of 36%, due primarily to general government and public safety expenses.

Business-type Activities

Business-type activities increased the City's net position by $1.00 million as compared to a prior year increase of $1.51 million. The net increase is primarily related to a decrease of $76,125 in operating expenses from 2024 to 2025, primarily due to adjustment for pension expenses.

Financial Analysis of the Government's Funds

As noted earlier, 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 City's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available at the end of the fiscal year.

As of the close of the current fiscal year, the City's *governmental funds* reported combined ending fund balances of $7,806,590, an increase of $505,878in comparison of $7,300,712 for the prior year 2024. Governmental funds revenues decreased $926,846. Approximately 35% of the combined fund balances, or $2,751,212 was available for spending at the government's discretion *("unassigned fund balance").*

The remainder of fund balance is *nonspendable, restricted, committed, or assigned* to indicate that it is not available for new spending because it has already been committed 1) for encumbrances, inventories, and prepaid expenditures, 2) for advances to other funds and component units, 3) to generate income to pay for the municipal cemetery and future recreation programs, and 4) designated for use for next year's expenditures.

General Fund

The General Fund balance was $3,745,276, or 47% of the total General Fund expenditures and other financing uses. Of the total, $3.7 million fund balance, $135 thousand was nonspendable, and $859 thousand was assigned, leaving $2.75 million of unassigned fund balance, or 35% of expenditures and other financing uses.

The General Fund unfavorably decreased the fund balance a total of $164 thousand, which is $1.19 million more favorable than the amended budget. Revenues favorably exceeded the budget by $1.53 million due primarily to favorable taxes and intergovernmental revenue related to grant revenue. The General Fund operating expenditures exceeded the amended budget by $16 thousand.

Major Streets Fund

The Major Streets Fund is used to account for the funds received from the State for maintenance and various infrastructure street projects throughout the City. Fund balance increased $768 thousand to $2,497,547. The entire fund balance is restricted.

Local Streets Fund

The Local Streets Fund is used to account for the funds received from the State for maintenance and various infrastructure street projects throughout the City. Fund balance decreased $63 thousand to $1,052,538. The entire fund balance is restricted.

Fire Fund

The Fire Fund is used to account for the funds received from property taxes and from the Rural Fire Association for area-wide fire protection. Fund balance decreased $26 thousand to $40,625. The entire fund balance is restricted to fire related expenditures.

Proprietary Funds

The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Water Supply and Sewage Disposal Fund

The Water Supply and Sewage Disposal Fund had an unrestricted net position of $4,233,469 with a total net position of $18,991,882. The fund had an increase in net position of $967,891.

Capital Asset and Debt Administration

Capital Assets

At June 30, 2025, the City had invested $35.1 million in a broad range of capital assets, including police and fire equipment, buildings, computer equipment and software, parks and recreation facilities, roads, sidewalks, parking lots, and water and sewer lines. During the year the City capitalized $331,960 in construction in progress, $1,312,449 related to vehicles, $83,634 related to buildings and improvements, and $350,483 related to infrastructure improvements. The City also capitalized $219,911 in water and sewer system improvements and $21,922 in recycling system improvements. The City recognized $1,442,217 and $589,485 in depreciation expense for governmental and business-type activities, respectively. More detailed information about the City's capital assets is presented in Note 5 to the financial statements.

Long-term Debt

At the end of the current fiscal year, the City had $1.9 million in bonds, notes outstanding, and compensated absences. This represents a decrease of approximately $11 thousand from the previous year. More detailed information about the City's long-term debt is presented in Note 6 to the financial statements.

Economic Factors and Next Year's Budgets and Rates

In FY2026, the City plans on using current projected revenues and some fund reserves to maintain the current level of essential services and programs without an increase in millage rates.

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director/Treasurer, City of Charlotte, 111 E Lawrence Ave, Charlotte, MI 48813.

BASIC FINANCIAL STATEMENTS

CITY OF CHARLOTTE
STATEMENT OF NET POSITION
JUNE 30, 2025

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Current assets				
Cash and cash equivalents	$ 8,508,776	$ 4,999,738	$ 13,508,514	$ 1,484,538
Receivables				
Accounts, net	396,091	809,510	1,205,601	75
Special assessments	6,546	-	6,546	2,959
Due from other governmental units	508,641	-	508,641	-
Inventories	6,075	193,868	199,943	-
Prepaids	192,680	31,146	223,826	-
Total current assets	9,618,809	6,034,262	15,653,071	1,487,572
Noncurrent assets				
Capital assets not being depreciated	3,999,217	104,995	4,104,212	214,777
Capital assets, net of accumulated depreciation	16,365,745	14,653,418	31,019,163	-
Total noncurrent assets	20,364,962	14,758,413	35,123,375	214,777
TOTAL ASSETS	29,983,771	20,792,675	50,776,446	1,702,349
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charges on refunding	15,219	-	15,219	-
Deferred outflows of resources related to pension	1,226,084	240,171	1,466,255	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	1,241,303	240,171	1,481,474	-
LIABILITIES				
Current liabilities				
Accounts payable	420,404	58,440	478,844	1,539
Accrued liabilities	851,018	26,819	877,837	46
Accrued interest payable	5,625	-	5,625	-
Due to other governmental units	378	-	378	-
Current portion of compensated absences	364,877	66,620	431,497	-
Current portion of long-term debt	183,548	-	183,548	-
Total current liabilities	1,825,850	151,879	1,977,729	1,585
Noncurrent liabilities				
Noncurrent portion of compensated absences	234,995	94,843	329,838	-
Noncurrent portion of long-term debt	992,733	-	992,733	-
Net other post-employment benefits liability	603,702	-	603,702	-
Net pension liability	9,063,066	1,775,319	10,838,385	-
Total noncurrent liabilities	10,894,496	1,870,162	12,764,658	-
TOTAL LIABILITIES	12,720,346	2,022,041	14,742,387	1,585
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows of resources related to pension	96,598	18,923	115,521	-
Deferred inflows of resources related to OPEB	10,677	-	10,677	-
TOTAL DEFERRED INFLOWS OF RESOURCES	107,275	18,923	126,198	-
NET POSITION				
Net investment in capital assets	19,203,900	14,758,413	33,962,313	214,777
Restricted				
Expendable, restricted for:				
Streets and highways	3,550,085	-	3,550,085	-
Fire	40,625	-	40,625	-
Debt service	182,861	-	182,861	-
Police training	25,331	-	25,331	-
Industrial park	222,494	-	222,494	-
Drug enforcement	5,087	-	5,087	-
Camp Frances	24,293	-	24,293	-
Grants	4,913	-	4,913	-
Unrestricted	(4,862,136)	4,233,469	(628,667)	1,485,987
TOTAL NET POSITION	$ 18,397,453	$ 18,991,882	$ 37,389,335	$ 1,700,764

See accompanying notes to financial statements.

CITY OF CHARLOTTE
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2025

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Primary Government: Governmental Activities	Primary Government: Business-type Activities	Primary Government: Total	Component Units
Primary government								
Governmental activities								
General government	$ 2,204,849	$ 513,906	$ 1,060,639	$ -	$ (630,304)	$ -	$ (630,304)	$ -
Public safety	6,498,849	619,086	572,102	306,079	(5,001,582)	-	(5,001,582)	-
Public works	2,345,793	115,518	1,664,074	187,498	(378,703)	-	(378,703)	-
Community development	356,331	-	-	-	(356,331)	-	(356,331)	-
Recreation and culture	308,277	-	320	-	(307,957)	-	(307,957)	-
Interest on long-term debt	32,092	-	9,171	-	(22,921)	-	(22,921)	-
Total governmental activities	11,746,191	1,248,510	3,306,306	493,577	(6,697,798)	-	(6,697,798)	-
Business-type activities								
Water Supply and Sewage Disposal	3,925,584	4,749,014	-	-	-	823,430	823,430	-
Recycling	77,554	31,109	30,926	-	-	(15,519)	(15,519)	-
Total business-type activities	4,003,138	4,780,123	30,926	-	-	807,911	807,911	-
Total primary government	$ 15,749,329	$ 6,028,633	$ 3,337,232	$ 493,577	(6,697,798)	807,911	(5,889,887)	-
Component units								
Downtown Development Authority	$ 40,538	$ 2,620	$ -	$ -	-	-	-	(37,918)
Local Development Financing Authority	-	342	-	-	-	-	-	342
Brownfield Redevelopment Authority	98,760	-	-	-	-	-	-	(98,760)
Total component units	$ 139,298	$ 2,962	$ -	$ -	-	-	-	(136,336)
General revenues								
Property taxes					5,636,621	25,510	5,662,131	144,336
Marijuana taxes					174,686	-	174,686	-
Unrestricted state shared revenues					1,194,282	-	1,194,282	-
Investment earnings					343,351	108,502	451,853	37,524
Gain on disposal of assets					26,852	-	26,852	-
Miscellaneous					5	25,968	25,973	-
Total general revenues					7,375,797	159,980	7,535,777	181,860
Change in net position					677,999	967,891	1,645,890	45,524
Net position, beginning of the year, as previously presented					17,676,585	18,080,039	35,756,624	1,571,301
Adjustments to net position					42,869	(56,048)	(13,179)	83,939
Net position, beginning of the year, as restated					17,719,454	18,023,991	35,743,445	1,655,240
Net position, end of the year					$ 18,397,453	$ 18,991,882	$ 37,389,335	$ 1,700,764

See accompanying notes to financial statements.

CITY OF CHARLOTTE
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2025

	General	Major Streets	Local Streets	Fire	Nonmajor Governmental Funds	Total
ASSETS						
Cash and cash equivalents	$ 3,843,008	$ 2,362,966	$ 1,270,268	$ -	$ 481,618	$ 7,957,860
Receivables						
Accounts, net	134,629	-	-	261,462	-	396,091
Special assessments	-	-	6,546	-	-	6,546
Due from other funds	289,831	-	-	-	-	289,831
Due from other governmental units	201,304	139,501	55,040	112,796	-	508,641
Inventories	6,075	-	-	-	-	6,075
Prepaids	128,770	2,560	2,560	40,625	45	174,560
TOTAL ASSETS	$ 4,603,617	$ 2,505,027	$ 1,334,414	$ 414,883	$ 481,663	$ 9,339,604
LIABILITIES						
Accounts payable	$ 74,926	$ 6,442	$ 273,287	$ 22,022	$ 11,059	$ 387,736
Due to other governmental units	378	-	-	-	-	378
Accrued liabilities	783,037	1,038	2,043	62,405	-	848,523
Due to other funds	-	-	-	289,831	-	289,831
TOTAL LIABILITIES	858,341	7,480	275,330	374,258	11,059	1,526,468
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue	-	-	6,546	-	-	6,546
FUND BALANCES						
Nonspendable	134,845	2,560	2,560	40,625	45	180,635
Restricted	-	2,494,987	1,049,978	-	470,559	4,015,524
Assigned	859,219	-	-	-	-	859,219
Unassigned	2,751,212	-	-	-	-	2,751,212
TOTAL FUND BALANCES	3,745,276	2,497,547	1,052,538	40,625	470,604	7,806,590
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	$ 4,603,617	$ 2,505,027	$ 1,334,414	$ 414,883	$ 481,663	$ 9,339,604

See accompanying notes to financial statements.

CITY OF CHARLOTTE
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2025

Total Fund Balances - Governmental Funds		$ 7,806,590
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in the governmental funds.		
The cost of capital assets is	$ 54,790,037	
Accumulated depreciation is	(35,729,947)	
Capital assets, net		19,060,090
Other long-term assets are not available to pay for current period expenditures and, therefore, are considered unavailable in the funds.		6,546
Some items are not current financial resources and therefore are not reported in the Governmental Funds Balance Sheet.		
Deferred outflows of resources related to pension	1,203,595	
Deferred inflows of resources related to pension	(94,827)	
Deferred inflows of resources related to OPEB	(10,677)	
Deferred charges on refunding	15,219	
		1,113,310
Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of certain internal service funds are included in the governmental activities in the government-wide statement of net position.		
Net position of governmental activities accounted for in governmental activities internal service funds		1,693,227
Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds balance sheet. Long-term liabilities at year-end consist of:		
Long-term obligations	(1,176,281)	
Net other post-employment benefits liability	(603,702)	
Net pension liability	(8,896,830)	
Accrued interest payable	(5,625)	
Compensated absences	(599,872)	
		(11,282,310)
Net Position of Governmental Activities		$ 18,397,453

See accompanying notes to financial statements.

CITY OF CHARLOTTE
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2025

	General	Major Streets	Local Streets	Fire	Nonmajor Governmental Funds	Total
REVENUES						
Taxes	$ 4,551,254	$ -	$ -	$ 1,043,177	$ 216,876	$ 5,811,307
Special assessments	-	-	3,128	-	-	3,128
Licenses and permits	42,847	-	-	-	-	42,847
Intergovernmental	2,257,977	1,330,734	475,523	591,461	11,966	4,667,661
Charges for services	506,101	-	-	863,409	-	1,369,510
Fines and forfeits	14,242	-	-	-	-	14,242
Interest and rents	282,092	50,762	32,415	1,674	21,657	388,600
Other	83,552	-	109	3,747	4,091	91,499
TOTAL REVENUES	7,738,065	1,381,496	511,175	2,503,468	254,590	12,388,794
EXPENDITURES						
Current						
General government	1,994,775	-	-	-	-	1,994,775
Public safety	3,873,215	-	-	3,145,954	1,500	7,020,669
Public works	890,905	513,331	674,408	-	-	2,078,644
Community and economic development	324,681	-	-	-	56,442	381,123
Recreation and culture	189,934	-	-	-	2,377	192,311
Debt service	-	-	-	11,694	203,700	215,394
TOTAL EXPENDITURES	7,273,510	513,331	674,408	3,157,648	264,019	11,882,916
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	464,555	868,165	(163,233)	(654,180)	(9,429)	505,878
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	100,000	628,369	-	728,369
Transfers out	(628,369)	(100,000)	-	-	-	(728,369)
TOTAL OTHER FINANCING SOURCES (USES)	(628,369)	(100,000)	100,000	628,369	-	-
NET CHANGE IN FUND BALANCES	(163,814)	768,165	(63,233)	(25,811)	(9,429)	505,878
Fund balances, beginning of year, as previously presented	3,909,090	1,729,382	-	66,436	1,595,804	7,300,712
Adjustments to beginning fund balance	-	-	1,115,771	-	(1,115,771)	-
Fund balances, beginning of year, as restated	3,909,090	1,729,382	1,115,771	66,436	480,033	7,300,712
Fund balances, end of year	$ 3,745,276	$ 2,497,547	$ 1,052,538	$ 40,625	$ 470,604	$ 7,806,590

See accompanying notes to financial statements.

CITY OF CHARLOTTE
RECONCILIATION OF THE CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2025

Net Change in Fund Balances - Total Governmental Funds		$ 505,878
Amounts reported for governmental activities in the statement of activities are different because:		
Capital outlays are reported as expenditures in governmental funds. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:		
Capital outlay	$ 1,383,507	
Depreciation expense	(1,240,245)	
Excess of capital outlay over depreciation expense		143,262
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Change in unavailable revenue		(3,115)
Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue of certain individual funds are included in the governmental activities.		
Change in net position of governmental activities internal service funds		(115,865)
Repayment of long-term debt and borrowing of long-term debt is reported as expenditures and other financing sources in governmental funds, but the repayment reduces long-term liabilities and the borrowings increase long-term liabilities in the statement of net position. In the current year, these amounts consist of:		
Debt principal retirement		176,465
Some items 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. These activities consist of:		
(Decrease) in deferred outflows of resources related to pension	(470,714)	
(Decrease) in deferred outflows of resources related to OPEB	(5,637)	
Decrease in deferred inflows of resources related to pension	23,235	
(Increase) in deferred inflows of resources related to OPEB	(10,677)	
(Decrease) in deferred charges on refunding	(2,536)	
Decrease in unamortized bond premiums	8,548	
Decrease in accrued interest payable	825	
(Increase) in compensated absences	(150,275)	
Decrease in net pension liability	477,898	
Decrease in net OPEB liability	100,707	
		(28,626)
Change in Net Position of Governmental Activities		$ 677,999

See accompanying notes to financial statements.

CITY OF CHARLOTTE
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
JUNE 30, 2025

	Enterprise Funds			Governmental Activities
	Water Supply and Sewage Disposal	Nonmajor Enterprise Fund - Recycling	Total	Internal Service Funds
ASSETS				
Current assets				
Cash and cash equivalents	$ 4,841,613	$ 158,125	$ 4,999,738	$ 550,916
Accounts receivable, net	809,510	-	809,510	-
Inventories	193,868	-	193,868	-
Prepaids	30,209	937	31,146	18,120
Total current assets	5,875,200	159,062	6,034,262	569,036
Noncurrent assets				
Capital assets not being depreciated	104,995	-	104,995	31,500
Capital assets, net of accumulated depreciation	14,631,496	21,922	14,653,418	1,273,372
Total noncurrent assets	14,736,491	21,922	14,758,413	1,304,872
TOTAL ASSETS	20,611,691	180,984	20,792,675	1,873,908
DEFERRED OUTFLOW OF RESOURCES				
Deferred outflows of resources related to pension	239,509	662	240,171	22,489
LIABILITIES				
Current liabilities				
Accounts payable	51,629	6,811	58,440	32,668
Accrued liabilities	25,816	1,003	26,819	2,495
Current portion of compensated absences	66,620	-	66,620	-
Total current liabilities	144,065	7,814	151,879	35,163
Noncurrent liabilities				
Noncurrent portion of compensated absences	94,843	-	94,843	-
Net pension liability	1,770,423	4,896	1,775,319	166,236
Total noncurrent liabilities	1,865,266	4,896	1,870,162	166,236
TOTAL LIABILITIES	2,009,331	12,710	2,022,041	201,399
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows of resources related to pension	18,870	53	18,923	1,771
NET POSITION				
Net investment in capital assets	14,736,491	21,922	14,758,413	1,304,872
Unrestricted	4,086,508	146,961	4,233,469	388,355
TOTAL NET POSITION	$ 18,822,999	$ 168,883	$ 18,991,882	$ 1,693,227

See accompanying notes to financial statements.

CITY OF CHARLOTTE
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2025

	Enterprise Funds			Governmental Activities
	Water Supply and Sewage Disposal	Nonmajor Enterprise Fund - Recycling	Total	Internal Service Funds
OPERATING REVENUES				
Water charges	$ 1,939,829	$ -	$ 1,939,829	$ -
Sewage charges	2,809,185	-	2,809,185	-
Recycling fees	-	31,109	31,109	-
Charges to other funds	-	-	-	687,389
Other	9,717	16,251	25,968	-
TOTAL OPERATING REVENUES	4,758,731	47,360	4,806,091	687,389
OPERATING EXPENSES				
Personnel services	1,552,411	62,288	1,614,699	163,098
Material and supplies	434,059	1,801	435,860	105,219
Utilities	309,118	3,611	312,729	82,640
Contractual	351,172	5,522	356,694	251,151
Insurance	15,959	75	16,034	16,762
Other expenses	673,380	4,257	677,637	20,923
Depreciation	589,485	-	589,485	201,972
TOTAL OPERATING EXPENSES	3,925,584	77,554	4,003,138	841,765
OPERATING INCOME (LOSS)	833,147	(30,194)	802,953	(154,376)
NONOPERATING REVENUES				
Intergovernmental	-	30,926	30,926	-
Property taxes	-	25,510	25,510	-
Interest earnings	104,176	4,326	108,502	11,659
Gain on disposal of assets	-	-	-	26,852
TOTAL NONOPERATING REVENUES	104,176	60,762	164,938	38,511
CHANGE IN NET POSITION	937,323	30,568	967,891	(115,865)
Net position, beginning of the year, as previously presented	17,941,724	138,315	18,080,039	1,809,092
Adjustments to net position	(56,048)	-	(56,048)	-
Net position, beginning of the year, as restated	17,885,676	138,315	18,023,991	1,809,092
Net position, end of the year	$ 18,822,999	$ 168,883	$ 18,991,882	$ 1,693,227

See accompanying notes to financial statements.

CITY OF CHARLOTTE
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2025

	Enterprise Funds			Governmental Activities
	Water Supply and Sewage Disposal	Nonmajor Enterprise Fund - Recycling	Total	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash receipts from customers and interfund services	$ 5,065,684	$ 47,360	$ 5,113,044	$ 687,389
Cash paid to suppliers	(2,487,687)	(15,152)	(2,502,839)	(547,082)
Cash paid to employees	(928,056)	(53,765)	(981,821)	(84,160)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	1,649,941	(21,557)	1,628,384	56,147
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Intergovernmental	42,209	30,926	73,135	-
Property taxes	-	25,510	25,510	-
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	42,209	56,436	98,645	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchases of capital assets	(219,911)	(21,922)	(241,833)	(344,536)
Proceeds from disposal of capital asset	-	-	-	26,852
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	(219,911)	(21,922)	(241,833)	(317,684)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	104,176	4,326	108,502	11,659
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,576,415	17,283	1,593,698	(249,878)
Cash and cash equivalents, beginning of year	3,265,198	140,842	3,406,040	800,794
Cash and cash equivalents, end of year	$ 4,841,613	$ 158,125	$ 4,999,738	$ 550,916

See accompanying notes to financial statements.

CITY OF CHARLOTTE
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS (CONTINUED)
YEAR ENDED JUNE 30, 2025

	Enterprise Funds			Governmental Activities
	Water Supply and Sewage Disposal	Nonmajor Enterprise Fund - Recycling	Total	Internal Service Funds
Operating income (loss)	$ 833,147	$ (30,194)	$ 802,953	$ (154,376)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities				
Depreciation	589,485	-	589,485	201,972
(Increase) decrease in:				
Accounts receivable	306,953	-	306,953	-
Inventories	40,409	-	40,409	-
Prepaids	(2,458)	242	(2,216)	1,058
Deferred outflows of resources related to pension	107,894	(219)	107,675	7,321
Increase (decrease) in:				
Accounts payable	(66,215)	6,259	(59,956)	171
Accrued liabilities	(2,511)	(83)	(2,594)	1,015
Compensated absences	23,603	-	23,603	-
Net pension liability	(174,739)	2,416	(172,323)	(683)
Deferred inflows of resources related to pension	(5,627)	22	(5,605)	(331)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	$ 1,649,941	$ (21,557)	$ 1,628,384	$ 56,147

See accompanying notes to financial statements.

CITY OF CHARLOTTE
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2025

	Other Employee Benefit Trust Fund: Retiree Health Insurance Plan Trust	Custodial Funds
ASSETS		
Cash	$ -	$ 117,446
Pooled investment funds	318,155	-
TOTAL ASSETS	318,155	117,446
LIABILITIES		
Due to other governmental units	-	7,943
NET POSITION		
Restricted for:		
Other post-employment benefits (health insurance)	318,155	-
Individuals, organizations, and other governments	-	109,503
TOTAL NET POSITION	$ 318,155	$ 109,503

See accompanying notes to financial statements.

CITY OF CHARLOTTE
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
YEAR ENDED JUNE 30, 2025

	Other Employee Benefit Trust Fund: Retiree Health Insurance Plan Trust	Custodial Funds
ADDITIONS		
Contributions		
Employer	$ 33,261	$ -
Investment earnings	28,292	-
Other additions	-	31,228
Collection of taxes for other governments	-	10,296,481
TOTAL ADDITIONS	61,553	10,327,709
DEDUCTIONS		
Administrative expenses	635	-
Benefit payments	33,261	-
Other	-	31,927
Payment of taxes collected for other governments	-	10,296,481
TOTAL DEDUCTIONS	33,896	10,328,408
NET CHANGE IN FIDUCIARY NET POSITION	27,657	(699)
Net position, beginning of year	290,498	110,202
Net position, end of year	$ 318,155	$ 109,503

See accompanying notes to financial statements.

CITY OF CHARLOTTE
COMPONENT UNITS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2025

	Downtown Development Authority	Local Development Financing Authority	Brownfield Redevelopment Authority	Total Component Units
ASSETS				
Current assets				
Cash and cash equivalents	$ 76,758	$ 1,241,440	$ 166,340	$ 1,484,538
Accounts receivable	75	-	-	75
Special assessments receivable	2,959	-	-	2,959
Total current assets	79,792	1,241,440	166,340	1,487,572
Noncurrent assets				
Capital assets not being depreciated	214,777	-	-	214,777
TOTAL ASSETS	294,569	1,241,440	166,340	1,702,349
LIABILITIES				
Current liabilities				
Accounts payable	1,539	-	-	1,539
Accrued liabilities	46	-	-	46
Total current liabilities	1,585	-	-	1,585
NET POSITION				
Investment in capital assets	214,777	-	-	214,777
Unrestricted	78,207	1,241,440	166,340	1,485,987
TOTAL NET POSITION	$ 292,984	$ 1,241,440	$ 166,340	$ 1,700,764

See accompanying notes to financial statements.

CITY OF CHARLOTTE
COMPONENT UNITS
COMBINING STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2025

Functions/Programs	Expenses	Program Revenues: Charges for Services	Net (Expense) Revenues and Changes in Net Position: Downtown Development Authority	Local Development Financing Authority	Brownfield Redevelopment Authority	Total Component Units
Governmental Activities						
Downtown Development Finance Authority	$ 40,538	$ 2,620	$ (37,918)	$ -	$ -	$ (37,918)
Local Development Financing Authority	-	342	-	342	-	342
Brownfield Redevelopment Authority	98,760	-	-	-	(98,760)	(98,760)
TOTALS	$ 139,298	$ 2,962	(37,918)	342	(98,760)	(136,336)
General revenues						
Property taxes			29,636	-	114,700	144,336
Investment earnings			2,404	31,464	3,656	37,524
Total general revenues			32,040	31,464	118,356	181,860
Change in net position			(5,878)	31,806	19,596	45,524
Net position, beginning of the year, as previously presented			298,862	1,209,634	62,805	1,571,301
Adjustments to net position			-	-	83,939	83,939
Net position, beginning of the year, as restated			298,862	1,209,634	146,744	1,655,240
Net position, end of the year			$ 292,984	$ 1,241,440	$ 166,340	$ 1,700,764

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Charlotte (the City) is located within Eaton County, Michigan and has a population of approximately 9,300. The City of Charlotte, Michigan is a municipal corporation formed in 1863 and governed by a seven-member Council and administered by an appointed City Manager.

The financial statements of the City have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as applied to city governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The City's more significant accounting policies are described below.

Reporting Entity

As required by accounting principles generally accepted in the United States of America, these financial statements present the financial activities of the City of Charlotte (primary government) and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities are, in substance, part of the City's operations, so data from these units are combined with data of the primary government. Discretely presented component units, on the other hand, are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the primary government. The blended and discretely presented component units each have a June 30 year-end.

Blended Component Units

The City of Charlotte Building Authority is a blended component unit which finances and constructs the City's public buildings and other structures. It is included within the reporting entity as it provides services exclusively to the City.

The Camp Frances Educational and Recreational Center (Camp Frances) is a municipal nonprofit corporation formed in 2009 pursuant to the Home Rule City Act as a single-member corporation. The City Council is the single member and appoints a board of trustees to manage the operations.

The blended component units' financial statements are included in the City's audited financial statements and are not audited separately.

Discretely Presented Component Units

The Downtown Development Authority (the "DDA") is a discretely presented component unit which corrects and prevents deterioration in the downtown district, encourages historical preservation, and promotes economic growth within the district. It is included within the reporting entity as the City Council appoints and may remove the DDA board and approves the DDA budget.

The Local Development Financing Authority (the "LDFA") is a discretely presented component unit which enhances and expands industrial development to eliminate the conditions of joblessness and underemployment. It is included within the reporting entity as the City Council appoints and may remove the LDFA board and approves the LDFA budget.

The Brownfield Redevelopment Authority (the "BRA") is a discretely presented component unit which promotes economic development within the community. It is included within the reporting entity as the City Council appoints and may remove the BRA board and approves the BRA budget.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Discretely Presented Component Units (concluded)

The discretely presented component units' financial statements are included in the City's audited financial statements and are not audited separately.

Fiduciary Component Unit

The Retiree Health Insurance Plan Trust Fund was established to account for the assets set aside to fund the City of Charlotte Retiree Health Insurance Plan. The primary purpose of the Trust is to provide the necessary funding for the retiree health insurance premiums provided to eligible City employees during retirement. The Trust was established through MERS Retiree Health Funding Vehicle, with the City Council serving as the trustees. The assets of the Trust are for the exclusive benefit of the participants and their beneficiaries, and the assets shall not be diverted to any other purchase prior to the satisfaction of all liabilities. The assets are protected from any of the City's creditors. The City Council has the ability to exercise responsibility, specifically in the area of designation of management.

Basis of Presentation

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The statement of net position and the statement of activities (the government-wide financial statements) present information for the primary government and its component units as a whole. All nonfiduciary activities of the primary government are included (i.e., fiduciary fund activities are not included in the government-wide financial statements). For the most part, interfund activity has been eliminated in the preparation of these statements. Interfund services provided and used are not eliminated in the process of consolidation. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities presents the direct functional expenses of the primary government and its component units and the program revenues that support them, demonstrating how governmental functions are either self-financing or supported by general revenues. Direct expenses are specifically associated with a service, program, or department and are therefore clearly identifiable to a particular function. Program revenues are associated with specific functions and include charges to recipients of goods or services and grants and contributions that are restricted to meeting the operational or capital requirements of that function. General revenues include all taxes, interest, unrestricted State revenue sharing payments, and other revenues that are not required to be presented as program revenues.

FUND FINANCIAL STATEMENTS

The fund financial statements present the City's individual major funds and aggregated nonmajor funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Presentation (concluded)

FUND FINANCIAL STATEMENTS (concluded)

The City reports the following *Major Governmental Funds*:

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

b. The *Major Streets Fund* accounts for the resources of State gas and weight tax revenue that is restricted for use on major streets.

c. The *Local Streets Fund* accounts for the resources of State gas and weight tax revenue that is restricted for use on local streets.

d. The *Fire Fund* accounts for property taxes and charges for services that are restricted for providing fire protection services.

The City reports the following *Major Enterprise Fund*:

a. The *Water Supply and Sewage Disposal Fund* accounts for the activities of the City's water distribution, water treatment, sewage disposal, and sewage treatment system; financing is provided primarily by user charges.

Additionally, the reports the following *Fund Types*:

a. *Special Revenue Funds* account for revenue sources that are restricted or committed to expenditures for specific purposes other than capital projects or permanent funds.

b. *Debt Service Funds* account for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

c. *Enterprise Funds* account for those operations that are financed and operated in a manner similar to private business or where the City has decided that the determination of revenues earned, costs incurred, and/or net income is necessary for management accountability.

d. The *Internal Service Funds* account for operations that provide services to other departments or agencies of the City, or to other governments, on a cost-reimbursement basis. This includes information technology and motor vehicle pool programs.

e. The *Other Employee Benefits Trust Fund* accounts for the activities of the Other Post-Employment Benefits Plan, which accumulates resources for other post-employment benefit payments to qualified employees.

f. The *Custodial Funds* accounts for taxes collected and distributed to other governments as well as amounts held for other individuals and agencies.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Measurement Focus

The government-wide, proprietary fund, and fiduciary fund financial statements are presented using the economic resources measurement focus, similar to that used by business enterprises or not-for-profit organizations. Because another measurement focus is used in the governmental fund financial statements, reconciliations to the government-wide financial statements are provided that explain the differences in detail.

All governmental funds are presented using the current financial resources measurement focus. With this measurement focus, only current assets, deferred outflows of resources, current liabilities, and deferred inflows of resources generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net fund balance.

Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

Governmental funds are accounted for using the modified accrual basis of accounting. Under this method, revenues are recognized when they become susceptible to accrual (when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current period. Revenues susceptible to accrual include state and federal grants and interest revenue. Other revenues are not susceptible to accrual because generally they are not measurable until received in cash. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt which are recorded when due.

All proprietary (i.e., enterprise and internal service) funds are accounted for using the accrual basis of accounting. Revenues are recognized when earned, and expenses are recognized when incurred.

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 enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the costs of sales and services, administrative expenses, and other costs of running the activity. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The fiduciary funds financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, except for the recognition of certain liabilities to the beneficiaries of a fiduciary activity. Liabilities to beneficiaries are recognized when an event has occurred that compels the City to disburse fiduciary resources.

If/when both restricted and unrestricted resources are available for use, it is the policy to use restricted resources first, then unrestricted resources as they are needed.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Budgets and Budgetary Accounting

The General and Special Revenue Fund budgets shown as required supplementary information were prepared on the same modified accrual basis used to reflect actual results. This basis is consistent with accounting principles generally accepted in the United States of America. Annual appropriated budgets are adopted for all required governmental fund types. All annual appropriations lapse at year end. The legal level of budgetary control is the function level. On or before its first meeting in April of each year, the City Manager must present the proposed budget to the government's council for review. The proposed budget must be on file and available for public inspection for a period of not less than one week prior to adoption by City Council, which must occur not later than the second meeting in May.

Formal budgetary integration is employed as a management control device during the year. Supplemental appropriations were approved by the Council in the form of budget amendment resolutions or as part of special authorizing motions for grants, bonds, or notes, the total of which was not significant in relation to the original budget appropriation valuations.

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders or contracts) are not tracked during the year. Budget appropriations are considered to be spent once the goods are delivered or the services rendered.

Cash, Cash Equivalents, and Investments

Cash and cash equivalents consist of various cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Investments have original maturities of more than three months from the date of acquisition. Investments are reported at fair value.

In accordance with Michigan Compiled Laws, the City is authorized to invest in the following investment vehicles:

a. Bonds, securities, and other obligations of the United States or an agency or instrumentality of the United States.

b. Certificates of deposit, savings accounts, deposit accounts, or depository receipts of a State or nationally chartered bank or a State or Federally chartered savings and loan association, savings bank, or credit union whose deposits are insured by an agency of the United States government and which maintains a principal office or branch office located in this State under the laws of this State or the United States, but only if the bank, savings and loan association, savings bank or credit union is eligible to be a depository of surplus funds belonging to the State under Section 6 of 1855 PA 105, MCL 21.146.

c. The United States government or federal agency obligations repurchase agreements.

d. Commercial paper rated at the time of purchase within the three highest classifications established by not less than two standard rating services, and which matures not more than 270 days after the date of purchase.

e. Bankers' acceptances of United States banks.

f. Mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Due from Other Governmental Units

Due from other governmental units consists of amounts due from the State of Michigan or other governments for various payments and grants.

Receivables

Receivables consist of amounts due from individuals, and businesses related to charges for services, amounts owed to the City from taxes levied, and notes that have not been collected.

Inventories

Inventories are valued at cost using the first in/first out (FIFO) method and consist of expendable supplies and repair parts. The cost of such inventories is recorded as expenditures/expenses when consumed rather than when purchased. Inventories of governmental funds are recorded as expenditures when purchased, except for fuel included in the General Fund.

Prepaids

Prepaid expenditures/expenses in the governmental and proprietary funds, such as memberships and insurance premiums, which are expected to be written off within the next fiscal year, are included in net current assets. Reported prepaid expenditures are equally offset by nonspendable fund balance which indicates they do not constitute "available spendable resources" even though they are a component of net current assets. Prepaid expenditures in the governmental funds are reported using the consumption method.

Capital Assets

Capital assets are reported in the applicable governmental or business-type activity and component units columns in the government-wide financial statements. Capital assets are those with an initial individual cost of $5,000 or more and an estimated useful life of more than one year. Capital assets are not recorded in the governmental funds. Instead, capital acquisition and construction are reflected as expenditures in governmental funds, and the related assets are reported in the government-wide financial statements. All purchased capital assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets are valued at their estimated acquisition cost on the date received.

Land and construction in progress are not depreciated. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Depreciation is computed using the straight-line method over the following useful lives:

Infrastructure	10-50 years
Water and sewer buildings and systems	10-100 years
Buildings and building improvements	25-50 years
Vehicles and equipment	3-10 years

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Compensated Absences

The City recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled during or upon separation from employment. The liability for compensated absences is recorded in the governmental and proprietary funds only if the liability has matured because of employee resignations or retirements.

Long-Term Obligations

Long-term debt and other long-term obligations are recognized as a liability in the government-wide financial statements and proprietary fund types when incurred. The portion of those liabilities expected to be paid within the next year is a current liability with the remaining amounts shown as noncurrent. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs, whether or not withheld from debt proceeds received, are reported as expenses.

Long-term debt is recognized as a liability of a governmental fund when due or when resources have been accumulated for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Net Pension Liability

A net pension liability is calculated by subtracting the pension net position from the total pension liability. The net pension liability is deemed to be a noncurrent liability and is recognized in the government-wide financial statements as well as the enterprise funds.

Net OPEB Liability

A net OPEB liability is calculated by subtracting the OPEB net position from the total OPEB liability. The net OPEB liability is deemed to be a noncurrent liability and is recognized in the government-wide financial statements.

Deferred Outflows/Inflows of Resources

In addition to assets and liabilities, the statement of net position and balance sheet will, when applicable, report separate sections for deferred outflows of resources and deferred inflows of resources. *Deferred outflows of resources*, a separate financial statement element, represents a consumption of net position or fund balance, respectively, that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until that time. *Deferred inflows of resources*, a separate financial statement element, represents an acquisition of net position or fund balance, respectively, that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The City has several items that qualify for reporting in these categories and are reported in the government-wide financial statement of net position and in the proprietary funds statement of net position.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Deferred Outflows/Inflows of Resources (concluded)

The City reports items in both categories, deferred outflows and inflows of resources, which correspond to the City's net pension liability and net OPEB liability and are related to differences between expected and actual experience, changes in assumptions, differences between projected and actual plan investment earnings, and contributions subsequent to the measurement date. The City also reports deferred outflows of resources for deferred charges on refunding.

Property Taxes

The City of Charlotte bills and collects its own property taxes and taxes for other governmental units. The City's property tax revenue recognition policy and related tax calendar disclosures are highlighted in the following paragraph:

> Property taxes are levied by the City of Charlotte on July 1 on the taxable valuation of property located in the City as of the preceding December 31, the lien date, and are payable without penalty through August 31. The July 1 levy was composed of the County's levy, ISD and local school district levies, the State Education Tax assessment and the City's millage and assessments. The City bills and collects its own property taxes for general governmental services, debt service, yard waste, recycling, and fire protection, and also collects for Eaton County, the District Library, and various school districts. Collections of property taxes and remittances of them to the appropriate authorities are accounted for in the Current Tax Collection custodial fund.
>
> The City is permitted by state statute to levy taxes up to 15 mills ($15 per $1,000 of assessed valuation) for general governmental services other than the payment of principal and interest on long-term debt. For the year ended June 30, 2025, the City levied 14.0860 mills for general governmental services, 0.7051 mills for debt service, 0.1697 mills for yard waste, 0.0904 mills for recycling, and 1.9665 mills for fire protection. The total original taxable value for the 2024 levy for property within the City was $286,543,071.
>
> The Downtown Development Authority is permitted by P.A. 197 of Michigan to levy taxes up to $2.00 per $1,000 of assessed valuation of property in the downtown district. The Authority's current year tax rate was 1.8381 per $1,000 of assessed valuation.

Tax Abatements

The City's tax revenues have been reduced by tax abatements. There have been no significant abatements made by the City or other governmental units that significantly reduce tax revenue within the City. Management has determined these amounts to be immaterial to the financial statements.

Interfund Transactions

During the course of normal operations, the City has numerous transactions between funds, including expenditures and transfers of resources to provide services, construct assets, and service debt. The accompanying financial statements generally reflect such transactions as transfers. Transfers between governmental and proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Interfund Transactions (concluded)

The Internal Service Funds record charges for motor pool and technology provided to various City departments and funds as operating revenue. All City funds record these payments as operating expenditures/expenses. The net revenues or losses of the Internal Service Funds, as well as the net position, are included in the reconciliation to the government-wide financial statements.

Fund Balance Classifications

Fund balance classifications comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The following are the five fund balance classifications:

Nonspendable - assets that are not available in a spendable form such as inventory, prepaid expenditures, and long-term receivables not expected to be converted to cash in the near term. It also includes funds that are legally or contractually required to be maintained intact such as the corpus of a permanent fund or foundation.

Restricted - amounts that are required by external parties to be used for a specific purpose. Constraints are externally imposed by creditors, grantors, contributors or laws, regulations or enabling legislation.

Committed - amounts constrained on use imposed by formal action of the government's highest level of decision-making authority (i.e., Board, Council, etc.).

Assigned - amounts intended to be used for specific purposes. This is determined by the governing body, the budget or finance committee or a delegated municipality official.

Unassigned - all other resources; the remaining fund balance after nonspendable, restrictions, commitments, and assignments. This class only occurs in the General Fund, except for cases of negative fund balances. Negative fund balances are always reported as unassigned, no matter which fund the deficit occurs in.

Fund Balance Classification Policies and Procedures

For committed fund balance, City of Charlotte's highest level of decision-making authority is the City Council. The formal action that is required to be taken to establish (and modify or rescind) a fund balance commitment is a Council Resolution.

For assigned fund balance, the City Council has delegated the responsibility for making fund balance assignments to the Finance Director and City Treasurer.

For the classification of fund balances, the City of Charlotte considers restricted or unrestricted amounts to have been spent first when an expenditure is incurred for the purposes for which both restricted and unrestricted fund balance is available. Also, for the classification of fund balances, after restricted amounts have been depleted, the City considers committed, assigned, or unassigned amounts to have been spent, in succession when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

Restricted Net Position

Restrictions of net position shown in the government-wide financial statements indicate restrictions imposed by the funding source or some other outside source, which precludes their use for unrestricted purposes.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

NOTE 2 - DEPOSITS AND INVESTMENTS

As of June 30, 2025, the City had deposits and investments subject to the following risk:

Custodial Credit Risk - Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. As of June 30, 2025, $11,949,598 of the City's bank balance of $12,699,598 was exposed to custodial credit risk because it was uninsured and uncollateralized. The carrying value on the books for deposits at the end of the year was $12,463,948. The financial statements report $1,000 of imprest cash on hand.

Custodial Credit Risk - Investments

For an investment, this 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.

The City's banking and investment policy does not specifically address custodial credit risk, which is the risk of loss due to the failure of the security issuer or backer. The City believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all bank deposits. As a result, the City evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

Interest Rate Risk

The City will minimize interest rate risk, which is the risk that the market value of securities in the portfolio will fall due to changes in market interest rates, by designating its investment portfolio with the objective of obtaining a rate of return through the economic cycles considering risk constraints and cash flow characteristics.

	Fair Value	Weighted Average Maturity
Michigan CLASS	$ 2,645,550	39 days

NOTE 2 - DEPOSITS AND INVESTMENTS (continued)

Credit Risk

State law limits investments in certain types of investments to a prime or better rating issued by nationally recognized statistical rating organizations (NRSRO's). Obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk and do not require disclosure of credit quality.

	Fair Value	Rating	Rating Agency
Michigan CLASS	$ 2,645,550	AAAm	Standard & Poor's

Concentration of Credit Risk

The City will minimize concentration of credit risk, which is the risk of loss attributed to the magnitude of the City's investment in a single issuer, by diversifying the investment portfolio so that the impact of potential losses from any one type of security or issuer will be minimized.

Foreign Currency Risk

The City is not authorized to invest in investments which have this type of risk.

Investments in Entities that Calculate Net Asset Value per Share

The City holds shares in MERS and Michigan CLASS investment pool where the fair value of the investments is measured on a recurring basis using net asset value per share (or its equivalent) of the investment companies as a practical expedient.

The Michigan CLASS investment pool invests in U.S. Treasury obligations, federal agency obligations of the U.S. government, high-grade commercial paper (rated "A1" or better), collateralized bank deposits, repurchase agreements (collateralized at 102 % by treasuries and agencies), and approved money market funds. The program is designed to meet the needs of Michigan public sector investors. It purchases securities that are legally permissible under state statutes and are available for investment by Michigan counties, cities, townships, school districts, authorities, and other public agencies. MERS invests assets in a manner which will seek the highest investment return consistent with the preservation of principal and meet the daily liquidity needs of participants.

At the year ended June 30, 2025, the fair value, unfunded commitments, and redemption rules of those investments are as follows:

	Fair Value	Unfunded Commitments	Redemption Frequency, if Eligible	Redemption Notice Period
MERS total market portfolio	$ 318,155	$ -	No restrictions	None
Michigan CLASS	2,645,550	-	No restrictions	None
	$ 2,963,705	$ -		

NOTE 2 - DEPOSITS AND INVESTMENTS (continued)

As of June 30, 2025, the carrying amount and fair value for each cash and investment type are as follows:

	Primary Government	Component Units	Fiduciary Funds	Reporting Entity
Cash and cash equivalents	$ 13,508,514	$ 1,484,538	$ 117,446	$ 15,110,498
Pooled investment funds	-	-	318,155	318,155
	$ 13,508,514	$ 1,484,538	$ 435,601	$ 15,428,653

NOTE 3 - INTERFUND RECEIVABLES AND PAYABLES

The amount of interfund receivables and payables at June 30, 2025, are as follows:

Due to General Fund from:	
Fire Fund	$ 289,831

Amounts appearing as interfund payables and receivables arise from two types of transactions. One type of transaction is where a fund will pay for a good or service that at least a portion of the benefit belongs to another fund. The second type of transaction is where one fund provides a good or service to another fund. Balances at the end of the year are for transfers that have not cleared as of the balance sheet date.

NOTE 4 - INTERFUND TRANSFERS

Permanent reallocation of resources between funds of the reporting entity is classified as interfund transfers. For the purpose of the statement of activities, all interfund transfers between individual governmental funds and enterprise funds have been eliminated.

Transfers to Local Streets Fund from:	
Major Streets Fund	$ 100,000
Transfers to Fire Fund from:	
General Fund	$ 628,369

Transfers are used to move revenues from the fund that is required to collect them to the fund that is required or allowed to expend them, move receipts restricted to or allowed for debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

NOTE 5 - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2025, was as follows:

Primary Government

	Balance July 1, 2024	Additions/ Reclassifications	Deletions/ Reclassifications	Balance June 30, 2025
Governmental Activities				
Capital assets not being depreciated				
Land	$ 2,115,813	$ -	$ -	$ 2,115,813
Construction in progress	350,483	331,960	(350,483)	331,960
Easement	1,551,444	-	-	1,551,444
Subtotal	4,017,740	331,960	(350,483)	3,999,217
Capital assets being depreciated				
Infrastructure	35,272,759	350,483	-	35,623,242
Buildings and improvements	6,948,724	83,634	-	7,032,358
Vehicles and equipment	11,129,686	1,312,449	(76,960)	12,365,175
Subtotal	53,351,169	1,746,566	(76,960)	55,020,775
Less accumulated depreciation for:				
Infrastructure	(26,244,279)	(682,368)	-	(26,926,647)
Buildings and improvements	(3,589,370)	(130,781)	-	(3,720,151)
Vehicles and equipment	(7,456,124)	(629,068)	76,960	(8,008,232)
Subtotal	(37,289,773)	(1,442,217)	76,960	(38,655,030)
Net capital assets being depreciated	16,061,396	304,349	-	16,365,745
Capital assets, net	$ 20,079,136	$ 636,309	$ (350,483)	$ 20,364,962

Depreciation expense was charged to the following governmental activities:

General government	$ 17,417
Public safety	471,253
Public works	629,359
Recreation and culture	122,216
Internal service funds	201,972
	$ 1,442,217

NOTE 5 - CAPITAL ASSETS (concluded)

Primary Government (concluded)

	Balance July 1, 2024	Additions	Deletions	Balance June 30, 2025
Business-type Activities				
Capital assets not being depreciated				
Land	$ 104,995	$ -	$ -	$ 104,995
Capital assets being depreciated				
Buildings and systems	34,741,766	241,833	-	34,983,599
Less accumulated depreciation for:				
Buildings and systems	(19,740,696)	(589,485)	-	(20,330,181)
Net capital assets being depreciated	15,001,070	(347,652)	-	14,653,418
Capital assets, net	$ 15,106,065	$ (347,652)	$ -	$ 14,758,413

Depreciation expense was charged to the following business-type activities:

Water Supply and Sewage Disposal	$ 589,485

Component Units

	Balance July 1, 2024	Additions	Deletions	Balance June 30, 2025
Capital assets not being depreciated				
Land	$ 214,777	$ -	$ -	$ 214,777

NOTE 6 - LONG-TERM OBLIGATIONS

The following is a summary of changes in long-term obligations (including current portion) of the City for the year ended June 30, 2025:

Primary Government

	Restated Balance July 1, 2024	Additions	Deletions	Balance June 30, 2025	Amounts Due Within One Year
PRIMARY GOVERNMENT					
Governmental Activities					
General obligation bonds	$ 1,290,000	$ -	$ (165,000)	$ 1,125,000	$ 175,000
Direct borrowings	11,465	-	(11,465)	-	-
Compensated absences*	449,597	150,275	-	599,872	364,877
Unamortized bond premiums	59,829	-	(8,548)	51,281	8,548
Total Governmental Activities	1,810,891	150,275	(185,013)	1,776,153	548,425
Business-type Activities					
Compensated absences*	137,860	23,603	-	161,463	66,620
Total Primary Government Long-term Obligations	$ 1,948,751	$ 173,878	$ (185,013)	$ 1,937,616	$ 615,045

*The change in the compensated absences liability is presented as a net change.

Significant details regarding outstanding long-term obligations (including current portion) are presented below:

GOVERNMENTAL ACTIVITIES

General Obligation Bonds

$2,165,000 2017 General Obligation Unlimited Tax Refunding Bonds dated November 2, 2017, due in annual installments ranging from $175,000 to $205,000 through May 1, 2031, with interest of 3.00% payable semiannually.	$ 1,125,000

Compensated Absences

The City recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled during or upon separation from employment. Based on the criteria listed, multiple types of leave qualify for recognition as compensated absences liability. The dollar amount of these vested rights, including salary related benefits, amounted to $599,872 and $161,463 for vacation and sick for governmental and business-type activities, respectively, at June 30, 2025. Of those amounts, $364,877 and $66,620 have been recorded as current liabilities for governmental and business-type activities, respectively.

NOTE 6 - LONG-TERM OBLIGATIONS (concluded)

Primary Government (concluded)

GOVERNMENTAL ACTIVITIES (concluded)

The annual requirements to pay the long-term obligations as of June 30, 2025, including interest are as follows:

Year Ending June 30,	General Obligation Bonds Governmental Activities Principal	Interest
2026	$ 175,000	$ 33,750
2027	175,000	28,500
2028	185,000	23,250
2029	190,000	17,700
2030	195,000	12,000
2031	205,000	6,150
	$ 1,125,000	$ 121,350

NOTE 7 - DEFINED BENEFIT PENSION PLAN

Plan Description

The City participates in the Michigan Municipal Employees' Retirement System (MERS) of Michigan. MERS is an agent multiple-employer, statewide public employee pension plan established by the Michigan's Legislature under Public Act 135 of 1945 and administered by a nine-member Retirement Board. MERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained by accessing MERS website at www.mersofmich.com.

Summary of Significant Accounting Policies

For the purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Municipal Employees Retirement System (MERS) of Michigan and additions to/deductions from MERS' fiduciary net position have been determined on the same basis as they are reported by MERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

NOTE 7 - DEFINED BENEFIT PENSION PLAN (continued)

Benefits Provided

01 - SEIU, DPW, WWTP: Closed to new hires

Benefit Multiplier:	2.25% Multiplier (80% max)
Normal Retirement Age:	60
Vesting:	10 years
Early Retirement (unreduced):	55/25
Early Retirement (reduced):	50/25 or 55/15
Final Average Compensation:	5 years
Member Contributions:	2.25%
Act 88:	Yes (Adopted 9/9/1968)

02 - Police NSU: Closed to new hires

Benefit Multiplier:	3.00% Multiplier (80% max)
Normal Retirement Age:	60
Vesting:	10 years
Early Retirement (unreduced):	50/25
Early Retirement (reduced):	55/15
Final Average Compensation:	5 years
Member Contributions:	10.00%
Act 88:	Yes (Adopted 9/9/1968)

05 - Fire: Closed to new hires

Benefit Multiplier:	2.50% Multiplier (80% max)
Normal Retirement Age:	60
Vesting:	10 years
Early Retirement (unreduced):	55/20
Early Retirement (reduced):	50/25 or 55/15
Final Average Compensation:	5 years
Member Contributions:	7.20%
Act 88:	Yes (Adopted 9/9/1968)

10 - Non Union: Closed to new hires

Benefit Multiplier:	2.50% Multiplier (80% max)
Normal Retirement Age:	60
Vesting:	10 years
Early Retirement (unreduced):	55/20
Early Retirement (reduced):	50/25 or 55/15
Final Average Compensation:	5 years
Member Contributions:	7.20%
Act 88:	Yes (Adopted 9/9/1968)

NOTE 7 - DEFINED BENEFIT PENSION PLAN (continued)

Benefits Provided (continued)

12 - SEIU Clrcl: Closed to new hires

Benefit Multiplier:	2.25% Multiplier (80% max)
Normal Retirement Age:	60
Vesting:	10 years
Early Retirement (unreduced):	55/20
Early Retirement (reduced):	50/25 or 55/15
Final Average Compensation:	5 years
Member Contributions:	2.25%
Act 88:	Yes (Adopted 9/9/1968)

21 - FOP Sprvsn: Closed to new hires

Benefit Multiplier:	3.00% Multiplier (80% max)
Normal Retirement Age:	60
Vesting:	10 years
Early Retirement (unreduced):	50/25
Early Retirement (reduced):	55/15
Final Average Compensation:	5 years
Member Contributions:	13.00%
Act 88:	Yes (Adopted 9/9/1968)

HA - Police Union After 7/1/2012: Open Division

Benefit Multiplier:	1.75% Multiplier (no max)
Normal Retirement Age:	60
Vesting:	6 years
Early Retirement (unreduced):	55/25
Early Retirement (reduced):	-
Final Average Compensation:	3 years
Member Contributions:	0.00%
Act 88:	Yes (Adopted 9/9/1968)

HB - SEIU Union DPW/Cler aft 7/1/1: Open Division

Benefit Multiplier:	1.25% Multiplier (no max)
Normal Retirement Age:	60
Vesting:	6 years
Early Retirement (unreduced):	-
Early Retirement (reduced):	-
Final Average Compensation:	3 years
Member Contributions:	0.00%
Act 88:	Yes (Adopted 9/9/1968)

NOTE 7 - DEFINED BENEFIT PENSION PLAN (continued)

Benefits Provided (concluded)

HC - Fire aft 4/1/13: Open Division

Benefit Multiplier:	1.75% Multiplier (no max)
Normal Retirement Age:	60
Vesting:	6 years
Early Retirement (unreduced):	55/25
Early Retirement (reduced):	-
Final Average Compensation:	3 years
Member Contributions:	0.00%
Act 88:	Yes (Adopted 9/9/1968)

HD - Non Union on/aft 4/1/13: Open Division

Benefit Multiplier:	1.25% Multiplier (no max)
Normal Retirement Age:	60
Vesting:	6 years
Early Retirement (unreduced):	55/25
Early Retirement (reduced):	-
Final Average Compensation:	3 years
Member Contributions:	0.00%
Act 88:	Yes (Adopted 9/9/1968)

Benefit terms, within the parameters established by MERS, are generally established and amended by authority of the City Council, generally after negotiations of these terms with the affected unions. Benefit terms may be subject to binding arbitration in certain circumstances.

At the December 31, 2024, valuation date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries receiving benefits	79
Inactive employees entitled to but not yet receiving benefits	17
Active employees	50
Total employees covered by the Plan	146

Contributions

Article 9, Section 24 of the State of Michigan constitution requires that financial benefits arising on account of employee service rendered in each year be funded during that year. Accordingly, MERS retains an independent actuary to determine the annual contribution. The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by the MERS retirement board. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. The employer may establish contribution rates to be paid by its covered employees.

Employer contributions range from 10.25% to 47.84% based on annual payroll for open divisions.

NOTE 7 - DEFINED BENEFIT PENSION PLAN (continued)

Payable to the Pension Plan

At June 30, 2025, there were no amounts outstanding by the City for contributions to the pension plan required for the year ended June 30, 2025.

Net Pension Liability

The employer's net pension liability reported at June 30, 2025, was determined using a measure of the total pension liability and the pension net position as of December 31, 2024. The December 31, 2024 total pension liability was determined by an actuarial valuation performed as of that date.

Changes in the net pension liability during the measurement year were as follows:

	Increase (Decrease)		
Changes in Net Pension Liability	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances at December 31, 2023	$ 26,291,200	$ 14,801,911	$ 11,489,289
Changes for the Year			
Service cost	328,513	-	328,513
Interest on total pension liability	1,834,759	-	1,834,759
Difference between expected and actual experience	(26,235)	-	(26,235)
Changes in assumptions	(48,927)	-	(48,927)
Employer contributions	-	1,570,490	(1,570,490)
Employee contributions	-	97,552	(97,552)
Net investment income	-	1,103,693	(1,103,693)
Benefit payments, including employee refunds	(1,803,429)	(1,803,429)	-
Administrative expense	-	(32,721)	32,721
Net changes	284,681	935,585	(650,904)
Balances as of December 31, 2024	$ 26,575,881	$ 15,737,496	$ 10,838,385

NOTE 7 - DEFINED BENEFIT PENSION PLAN (continued)

Pension Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2025, the City recognized pension expense of $1,385,465. The City reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 141,407	$ 78,826
Changes in assumptions	95,783	36,695
Net difference between projected and actual earnings on pension plan investments	503,220	-
Contributions subsequent to the measurement date*	725,845	-
Total	$ 1,466,255	$ 115,521

* The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as an addition in the net pension liability for the year ending June 30, 2026.

Amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Years Ending June 30,	Pension Expense
2026	$ 260,974
2027	509,603
2028	(136,297)
2029	(9,391)
	$ 624,889

Actuarial Assumptions

The total pension liability in the December 31, 2024, annual actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation: 2.5%

Salary increases: 3.00% in the long-term plus a percentage based on age related scale to reflect merit, longevity, and promotional pay increases.

Investment rate of return: 7.18%, net of investment and administrative expense, including inflation.

Mortality rates used were based on a version of Pub-2010 and fully generational MP-2021.

NOTE 7 - DEFINED BENEFIT PENSION PLAN (continued)

Actuarial Assumptions (concluded)

The actuarial assumptions used in the valuation were based on the results of the 2019-2023 Five-Year Experience Study.

Discount Rate

The discount rate used to measure the total pension liability is 7.18%. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers.

Projected Cash Flows

Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term expected rate of return on pension plan investments was determined using a model method in which the best-estimate ranges of expected future real rates of return (expected returns, net of investment and administrative expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return	Expected Money-Weighted Rate of Return
Global equity	60.00%	4.50%	2.70%
Global fixed income	20.00%	2.15%	0.43%
Private investments	20.00%	6.50%	1.30%
	100.00%		4.43%
Inflation			2.50%
Assumed investment rate of return			6.93%
Administrative expense netted above			0.25%
Investment rate of return (discount rate)			7.18%

NOTE 7 - DEFINED BENEFIT PENSION PLAN (concluded)

Sensitivity of the Net Position Liability to Changes in the Discount Rate

The following presents the Net Pension Liability of the employer, calculated using the discount rates 7.18%, as well as what the employer's Net Position Liability would be using a discount rate that is 1% lower or 1% higher than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
Net pension liability	$ 13,907,466	$ 10,838,385	$ 8,277,555

Changes in Assumptions

Adopted the results of an experience study covering the period of January 1, 2019 through December 31, 2023.

Changes in Benefits

There were no changes of benefit terms during plan year 2024.

NOTE 8 - DEFINED CONTRIBUTION PENSION PLAN

The City provides a defined contribution pension plan, which provides retirement benefits to the City manager and department supervisors. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The City manager's plan has immediate vesting, while department supervisors are fully vested after four years of service. The City contributes a percentage of participant's salary to the plans. City contributions to the MERS plan are between 10% and 13.88% of salary. City contributions for the fiscal year 2025 were $184,480. The plan provisions and contribution amounts were established by the City Council and may be amended by the Council. The plan is administered along with the defined benefit pension plan, through MERS.

NOTE 9 - OTHER POST-EMPLOYMENT BENEFITS

Plan Description

The City of Charlotte Other Post-Employment Benefits Plan (the "Plan") is a single-employer defined benefit healthcare plan administered by the City using MERS' retiree health funding vehicle (RHFV). The Plan provides certain retiree medical benefits as other post-employment benefits (OPEB) to all applicable employees, in accordance with union agreements and/or personnel policies. Benefit provisions are established by the City Council. The Plan does not issue a separate stand-alone financial statement.

Benefits Provided

The City pays the full cost of coverage for these benefits, up to the Michigan Hard Cap, for certain retirees and their beneficiaries. The retirees must contribute the balance of premiums not paid by the City in accordance with plan provisions. The City has no obligation to make contributions in advance of when the premiums are due for payment (i.e., may be financed on a "pay-as-you-go" basis). The current contributions being made are based on an actuarial calculated valuation. Administrative costs of the plan are paid for by the City.

NOTE 9 - OTHER POST-EMPLOYMENT BENEFITS (continued)

Summary of Plan Participants

At the June 30, 2024, valuation date, the following employees were covered by the benefit terms:

Retirees and beneficiaries	12

Contributions

For the year ended June 30, 2025, the City contributed its portion of premium payments.

Net OPEB Liability

The net OPEB liability of the City was measured as of June 30, 2025, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2024, rolled forward to June 30, 2025.

Actuarial Assumptions

The total OPEB liability in the June 30, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation rate	2.50%
Salary increases	N/A - no actives eligible for benefits
Investment rate of return	6.93%, including inflation
20-year Aa Municipal bond rate	4.81%
Mortality	Pub-2016 General and Public Safety Healthy Retirees, Headcount weighted
Improvement Scale	IRS 2024 Adjusted Scale MP-2021

The assumptions used in the June 30, 2024, valuation were determined by the City's management as of June 30, 2024.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Global equity	60.00%	4.50%
Global fixed income	20.00%	2.16%
Private assets	20.00%	6.50%
Total	100.00%	

NOTE 9 - OTHER POST-EMPLOYMENT BENEFITS (continued)

Discount Rate

The discount rate used to measure the total OPEB liability was 4.88%. The projection of cash flows used to determine the discount rate assumed that City contributions will first use assets to pay benefits and then pay benefits on a pay-as-you-go basis. Based on this assumption, the retirement plan's fiduciary net position was projected to be sufficient to make all projected future benefit payments of current plan members through 2032 - the crossover point. For projected benefits that are covered by projected assets, the long-term expected rate was used to discount the projected benefits. From the year that benefit payments were not projected to be covered by the projected assets (the "depletion date"), projected benefits were discounted at a discount rate reflecting a 20-year AA/Aa tax-exempt municipal bond yield. A single equivalent discount rate that yields the same present value of benefits is calculated. This discount rate is used to determine the Total OPEB Liability. As of June 30, 2024, the discount rate used to value OPEB liabilities was 4.80%.

Changes in Assumptions

The actuarial assumptions were changed during the year as follows:

- Mortality rates updated from 2010 General and Public Safety Healthy Retiree with the 2024 IRS Adjusted Scale MP-2021 to the 2016 General and Public Safety Healthy Retiree, Headcount Weighted with the 2024 IRS Adjusted Scale MP-2021.
- Trend rate increased by 0.25% instead of decreasing by 0.25% as projected.
- Discount rate updated from 4.80% to 4.88%.

Change in Net OPEB Liability

The change in the net OPEB liability for the year ended June 30, 2025, is as follows:

	Increase (Decrease)		
Changes in Net OPEB Liability	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPB Liability (a)-(b)
Balances at June 30, 2024	$ 994,907	$ 290,498	$ 704,409
Changes for the Year			
Interest on total OPEB liability	46,958	-	46,958
Difference between expected and actual experience	(89,749)	-	(89,749)
Changes of assumptions	3,002	-	3,002
Employer contributions	-	33,261	(33,261)
Net investment income	-	28,292	(28,292)
Benefit payments, including employee refunds	(33,261)	(33,261)	-
Administrative expense	-	(635)	635
Net changes	(73,050)	27,657	(100,707)
Balances as of June 30, 2025	$ 921,857	$ 318,155	$ 603,702

NOTE 9 - OTHER POST-EMPLOYMENT BENEFITS (concluded)

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	1% Decrease	Current Rate	1% Increase
Net OPEB liability	$ 678,588	$ 603,702	$ 538,734

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate

The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rate:

	1% Decrease	Current Rate	1% Increase
Net OPEB liability	$ 587,685	$ 603,702	$ 620,966

OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2025, the City recognized an OPEB benefit of $51,132. At June 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on plan investments	$ -	$ 10,677

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

Year Ending June 30,	OPEB Expense
2026	$ 1,952
2027	(4,972)
2028	(4,786)
2029	(2,871)
	$ (10,677)

NOTE 10 - RISK MANAGEMENT

The City participates in a pool, the Michigan Municipal League Workers' Compensation Fund, with other municipalities for workers' compensation losses. The pool is organized under Public Act 317 of 1969, as amended. In the event the pool's claims and expenses for a policy year exceed the total normal annual premiums for said years, all members of the specific pool's policy year may be subject to special assessment to make up the deficiency. The City has not been informed of any special assessments being required in any of the past three fiscal years.

The City also participates in a pool, the Michigan Municipal League Liability and Property Pool, with other municipalities for property, liability (including cyber), bonding, and casualty losses. The pool is organized under Public Act 138 of 1982, as amended. In the event the pool's claims and expenses for a policy year exceed the total normal annual premiums for said years, all members of the specific pool's policy year may be subject to special assessment to make up the deficiency. The City has not been informed of any special assessments being required in any of the past three fiscal years.

NOTE 11 - FUND BALANCE CLASSIFICATIONS

The following are the various fund balance classifications as of June 30, 2025:

	General Fund	Major Streets Fund	Local Streets Fund	Fire Fund	Nonmajor Governmental Funds	Total
Fund Balances						
Nonspendable						
Inventory	$ 6,075	$ -	$ -	$ -	$ -	$ 6,075
Prepaids	128,770	2,560	2,560	40,625	45	174,560
Restricted						
Streets	-	2,494,987	1,049,978	-	-	3,544,965
Industrial park	-	-	-	-	222,494	222,494
Police training	-	-	-	-	25,331	25,331
Drug enforcement	-	-	-	-	5,087	5,087
Camp Frances	-	-	-	-	24,248	24,248
Debt service	-	-	-	-	188,486	188,486
Grants	-	-	-	-	4,913	4,913
Assigned						
Revolving Fund	859,219	-	-	-	-	859,219
Unassigned	2,751,212	-	-	-	-	2,751,212
TOTAL FUND BALANCES	$ 3,745,276	$ 2,497,547	$ 1,052,538	$ 40,625	$ 470,604	$ 7,806,590

NOTE 12 - ADJUSTMENTS TO BEGINNING FUND BALANCES/NET POSITION

During the fiscal year 2025, changes to beginning fund balance/net position, are as follows:

	Reporting Units Affected by Adjustments to Beginning Balances			
	Governmental Activities	Business-type Activities	Discretely Presented Component Units	Local Streets Fund
Beginning fund balance/net position, as previously reported	$ 17,676,585	$ 18,080,039	$ 1,571,301	$ -
Change from nonmajor to major fund	-	-	-	1,115,771
Change in accounting principle (GASB 101)	42,869	(56,048)	-	-
Error correction (overstated payable)	-	-	83,939	-
Beginning fund balance/net position, as restated	$ 17,719,454	$ 18,023,991	$ 1,655,240	$ 1,115,771

	Reporting Units Affected by Adjustments to Beginning Balances		
	Nonmajor Governmental Funds	Water Supply and Sewage Disposal Fund	Brownfield Redevelopment Authority
Beginning fund balance/net position, as previously reported	$ 1,595,804	$ 17,941,724	$ 62,805
Change from nonmajor to major fund	(1,115,771)	-	-
Change in accounting principle (GASB 101)	-	(56,048)	-
Error correction (overstated payable)	-	-	83,939
Beginning fund balance/net position, as restated	$ 480,033	$ 17,885,676	$ 146,744

NOTE 13 - CHANGES IN ACCOUNTING PRINCIPLES

For the year ended June 30, 2025, the City implemented the following new pronouncements: GASB Statement No. 101, *Compensated Absences*, and GASB Statement No. 102, *Certain Risk Disclosures*. The following is a summary of the new pronouncements:

In June 2022, the GASB issued Statement No. 101, *Compensated Absences*. This Statement requires that liabilities for compensated absences be recognized (1) for leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. This Statement also establishes guidance for measuring a liability for leave that has not been used, generally using an employee's pay rate as of the date of the financial statements.

In December 2023, the GASB issued Statement No. 102, *Certain Risk Disclosures*. This Statement requires a government to assess whether a concentration or constraint makes the government vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. If a government determines that those criteria for disclosure have been met for a concentration or constraint, it should disclose information in notes to financial statements in sufficient detail to enable users of financial statements to understand the nature of circumstances disclosed and the government's vulnerability to the risk of substantial impact.

NOTE 14 - UPCOMING ACCOUNTING PRONOUNCEMENTS

In April 2024, the GASB issued Statement No. 103, *Financial Reporting Model Improvements*. This Statement establishes new accounting and financial reporting requirements - or modifies existing requirements - related to the following:

a. Management's discussion and analysis (MD&A);
    i. Requires that the information presented in MD&A be limited to the related topics discussed in five specific sections:
        1) Overview of the Financial Statements,
        2) Financial Summary,
        3) Detailed Analyses,
        4) Significant Capital Asset and Long-Term Financing Activity,
        5) Currently Known Facts, Decisions, or Conditions;
    ii. Stresses detailed analyses should explain why balances and results of operations changed rather than simply presenting the amounts or percentages by which they changed;
    iii. Removes the requirement for discussion of significant variations between original and final budget amounts and between final budget amounts and actual results;
b. Unusual or infrequent items;
c. Presentation of the proprietary fund statement of revenues, expenses, and changes in fund net position;
    i. Requires that the proprietary fund statement of revenues, expenses, and changes in fund net position continue to distinguish between operating and nonoperating revenues and expenses and clarifies the definition of operating and nonoperating revenues and expenses;
    ii. Requires that a subtotal for *operating income (loss) and noncapital subsidies* be presented before reporting other nonoperating revenues and expenses and defines subsidies;
d. Information about major component units in basic financial statements should be presented separately in the statement of net position and statement of activities unless it reduces the readability of the statements in which case combining statements of should be presented after the fund financial statements;
e. Budgetary comparison information should include variances between original and final budget amounts and variances between final budget and actual amounts with explanations of significant variances required to be presented in the notes to RSI.

The City is currently evaluating the impact this standard will have on the financial statements when adopted during the 2025-2026 fiscal year.

In September 2024, the GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*. This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement No. 34. Lease assets recognized in accordance with Statement No. 87, *Leases*, and intangible right-to-use assets recognized in accordance with Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, should be disclosed separately by major class of underlying asset in the capital assets note disclosures. Subscription assets recognized in accordance with Statement No. 96, *Subscription-Based Information Technology Arrangements*, also should be separately disclosed. In addition, this Statement requires intangible assets other than those three types to be disclosed separately by major class. This Statement also requires additional disclosures for capital assets held for sale. The City is currently evaluating the impact this standard will have on the financial statements when adopted during the 2025-2026 fiscal year.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF CHARLOTTE
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2025

	Original Budget	Final Amended Budget	Actual	Variances with Final Budget Positive (Negative)
REVENUES				
Property taxes	$ 3,946,380	$ 3,946,380	$ 4,551,254	$ 604,874
Licenses and permits	35,750	35,750	42,847	7,097
Intergovernmental	1,558,000	1,558,000	2,257,977	699,977
Charges for services	466,500	466,500	506,101	39,601
Fines and forfeits	11,000	11,000	14,242	3,242
Interest and rents	164,880	164,880	282,092	117,212
Other	22,800	22,800	83,552	60,752
TOTAL REVENUES	6,205,310	6,205,310	7,738,065	1,532,755
EXPENDITURES				
Current				
General government	1,813,576	1,942,646	1,994,775	(52,129)
Public safety	2,908,842	3,827,867	3,873,215	(45,348)
Public works	745,250	988,299	890,905	97,394
Community and economic development	300,276	317,367	324,681	(7,314)
Recreation and culture	150,701	180,911	189,934	(9,023)
TOTAL EXPENDITURES	5,918,645	7,257,090	7,273,510	(16,420)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	286,665	(1,051,780)	464,555	1,516,335
OTHER FINANCING (USES)				
Transfers out	(274,665)	(303,901)	(628,369)	(324,468)
NET CHANGE IN FUND BALANCE	12,000	(1,355,681)	(163,814)	1,191,867
Fund balance, beginning of year	3,909,090	3,909,090	3,909,090	-
Fund balance, end of year	$ 3,921,090	$ 2,553,409	$ 3,745,276	$ 1,191,867

CITY OF CHARLOTTE
MAJOR STREETS FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2025

	Original Budget	Final Amended Budget	Actual	Variances with Final Budget Positive (Negative)
REVENUES				
Intergovernmental	$ 1,380,000	$ 1,380,000	$ 1,330,734	$ (49,266)
Interest	-	-	50,762	50,762
Other revenue	1,800	1,800	-	(1,800)
TOTAL REVENUES	1,381,800	1,381,800	1,381,496	(304)
EXPENDITURES				
Current				
Public works	876,198	883,938	513,331	370,607
EXCESS OF REVENUES OVER EXPENDITURES	505,602	497,862	868,165	370,303
OTHER FINANCING (USES)				
Transfers out	(100,000)	(100,000)	(100,000)	-
NET CHANGE IN FUND BALANCE	405,602	397,862	768,165	370,303
Fund balance, beginning of year	1,729,382	1,729,382	1,729,382	-
Fund balance, end of year	$ 2,134,984	$ 2,127,244	$ 2,497,547	$ 370,303

CITY OF CHARLOTTE
LOCAL STREETS FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2025

	Budgeted Amounts			Variances with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Special assessments	$ 3,500	$ 3,500	$ 3,128	$ (372)
Intergovernmental	370,000	370,000	475,523	105,523
Interest	300	300	32,415	32,115
Other	1,000	1,000	109	(891)
TOTAL REVENUES	374,800	374,800	511,175	136,375
EXPENDITURES				
Current				
Public works	390,919	402,184	674,408	(272,224)
EXCESS OF REVENUES (UNDER) EXPENDITURES	(16,119)	(27,384)	(163,233)	(135,849)
OTHER FINANCING SOURCES				
Transfers in	115,000	115,000	100,000	(15,000)
NET CHANGE IN FUND BALANCE	98,881	87,616	(63,233)	(150,849)
Fund balance, beginning	1,115,771	1,115,771	1,115,771	-
Fund balance, ending	$ 1,214,652	$ 1,203,387	$ 1,052,538	$ (150,849)

CITY OF CHARLOTTE
FIRE FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2025

	Original Budget	Final Amended Budget	Actual	Variances with Final Budget Positive (Negative)
REVENUES				
Property taxes	$ 1,063,969	$ 1,063,969	$ 1,043,177	$ (20,792)
Intergovernmental	602,942	602,942	591,461	(11,481)
Charges for services	639,983	639,983	863,409	223,426
Interest	-	-	1,674	1,674
Other	257,837	257,837	3,747	(254,090)
TOTAL REVENUES	2,564,731	2,564,731	2,503,468	(61,263)
EXPENDITURES				
Current				
Public safety	2,850,896	3,068,541	3,145,954	(77,413)
Debt service	11,692	11,688	11,694	(6)
TOTAL EXPENDITURES	2,862,588	3,080,229	3,157,648	(77,419)
EXCESS OF REVENUES (UNDER) EXPENDITURES	(297,857)	(515,498)	(654,180)	(138,682)
OTHER FINANCING SOURCES				
Transfers in	274,665	303,901	628,369	324,468
NET CHANGE IN FUND BALANCE	(23,192)	(211,597)	(25,811)	185,786
Fund balance, beginning of year	66,436	66,436	66,436	-
Fund balance, end of year	$ 43,244	$ (145,161)	$ 40,625	$ 185,786

CITY OF CHARLOTTE
DEFINED BENEFIT PENSION PLAN
SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY AND RELATED RATIOS
LAST TEN FISCAL YEARS
(AMOUNTS WERE DETERMINED AS OF 12/31 OF EACH FISCAL YEAR)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
CHANGE IN TOTAL PENSION LIABILITY										
Service cost	$ 328,513	$ 314,131	$ 280,160	$ 269,768	$ 262,016	$ 258,238	$ 252,828	$ 249,607	$ 266,224	$ 260,875
Interest	1,834,759	1,796,049	1,791,396	1,793,017	1,725,554	1,738,994	1,726,620	1,690,900	1,638,043	1,574,604
Difference between expected and actual experience	(26,235)	282,813	(236,603)	(105,564)	29,340	(68,761)	(192,904)	36,880	193,964	76,155
Changes of assumptions	(48,927)	191,567	-	908,277	597,096	729,401	-	-	-	820,049
Benefit payments, including employee refunds	(1,803,429)	(1,818,774)	(1,756,734)	(1,751,483)	(1,708,927)	(1,676,157)	(1,592,997)	(1,471,983)	(1,386,436)	(1,303,433)
Net Change in Total Pension Liability	284,681	765,786	78,219	1,114,015	905,079	981,715	193,547	505,404	711,795	1,428,250
Total Pension Liability, beginning	26,291,200	25,525,414	25,447,195	24,333,180	23,428,101	22,446,386	22,252,839	21,747,435	21,035,640	19,607,390
Total Pension Liability, ending	$ 26,575,881	$ 26,291,200	$ 25,525,414	$ 25,447,195	$ 24,333,180	$ 23,428,101	$ 22,446,386	$ 22,252,839	$ 21,747,435	$ 21,035,640
CHANGE IN PLAN FIDUCIARY NET POSITION										
Contributions - employer	$ 1,570,490	$ 2,435,638	$ 1,281,922	$ 1,011,779	$ 911,923	$ 769,903	$ 726,016	$ 655,835	$ 560,877	$ 488,614
Contributions - employee	97,552	78,237	89,089	96,215	104,248	105,682	116,735	125,815	133,757	133,942
Net investment income (loss)	1,103,693	1,482,162	(1,588,908)	1,939,135	1,518,042	1,562,803	(488,939)	1,581,517	1,293,548	(180,906)
Benefit payments, including employee refunds	(1,803,429)	(1,818,774)	(1,756,734)	(1,751,483)	(1,708,927)	(1,676,157)	(1,592,997)	(1,471,983)	(1,386,436)	(1,303,433)
Administrative expenses	(32,721)	(30,266)	(26,425)	(21,072)	(24,579)	(26,889)	(25,054)	(25,097)	(25,570)	(26,884)
Net Change in Plan Fiduciary Net Position	935,585	2,146,997	(2,001,056)	1,274,574	800,707	735,342	(1,264,239)	866,087	576,176	(888,667)
Plan Fiduciary Net Position, beginning	14,801,911	12,654,914	14,655,970	13,381,396	12,580,689	11,845,347	13,109,586	12,243,499	11,667,323	12,555,990
Plan Fiduciary Net Position, ending	$ 15,737,496	$ 14,801,911	$ 12,654,914	$ 14,655,970	$ 13,381,396	$ 12,580,689	$ 11,845,347	$ 13,109,586	$ 12,243,499	$ 11,667,323
City's Net Pension Liability	$ 10,838,385	$ 11,489,289	$ 12,870,500	$ 10,791,225	$ 10,951,784	$ 10,847,412	$ 10,601,039	$ 9,143,253	$ 9,503,936	$ 9,368,317
Plan fiduciary net position as a percentage of the total pension liability	59.22%	56.30%	49.58%	57.59%	54.99%	53.70%	52.77%	58.91%	56.30%	55.46%
Covered payroll	$ 3,600,888	$ 3,304,724	$ 3,008,089	$ 3,164,998	$ 2,756,466	$ 2,772,764	$ 2,682,635	$ 2,469,416	$ 2,580,947	$ 2,443,516
City's net pension liability as a percentage of covered payroll	301.0%	347.7%	427.9%	341.0%	397.3%	391.2%	395.2%	370.3%	368.2%	383.4%

CITY OF CHARLOTTE
DEFINED BENEFIT PENSION PLAN
SCHEDULE OF CITY CONTRIBUTIONS
LAST TEN FISCAL YEARS
(AMOUNTS WERE DETERMINED AS OF 6/30 EACH FISCAL YEAR)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially determined contributions	$ 1,482,299	$ 1,165,654	$ 1,194,668	$ 1,074,936	$ 911,923	$ 748,947	$ 726,016	$ 655,835	$ 604,246	$ 518,652
Contributions in relation to the actuarially determined contribution	1,482,299	1,315,654	1,369,668	1,249,936	911,923	769,903	726,016	655,835	604,246	518,652
Contribution deficiency (excess)	$ -	$ (150,000)	$ (175,000)	$ (175,000)	$ -	$ (20,956)	$ -	$ -	$ -	$ -
Covered payroll	$ 3,960,829	$ 3,220,399	$ 3,254,447	$ 3,164,998	$ 2,756,466	$ 2,772,764	$ 2,682,635	$ 2,469,416	$ 2,580,947	$ 2,443,516
Contributions as a percentage of covered payroll	37.42%	40.85%	42.09%	39.49%	33.08%	27.77%	27.06%	26.56%	23.41%	21.23%

Actuarial valuation information relative to the determination of contributions:

Valuation date	Actuarially determined contribution amounts are calculated as of December 31, two years prior to the end of the fiscal year in which the contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	14 years
Asset valuation method	5 year smoothed market
Inflation	2.50%
Salary increases	3.00% plus merit and longevity, 3.00% in the long-term
Investment rate of return	7.18% (net of investment and administrative expenses, including inflation)
Mortality	Based on a version of Pub-2010 and fully generational MP-2021

CITY OF CHARLOTTE
OTHER POST-EMPLOYMENT BENEFITS PLAN
SCHEDULE OF CHANGES IN THE PLAN'S NET OPEB LIABILITY AND RELATED RATIOS
LAST EIGHT MEASUREMENT DATES (ULTIMATELY TEN YEARS WILL BE DISPLAYED)
(AMOUNTS WERE DETERMINED AS OF 6/30 OF EACH FISCAL YEAR)

	2025	2024	2023	2022	2021	2020	2019	2018
CHANGE IN TOTAL OPEB LIABILITY								
Service cost	$ -	$ -	$ -	$ -	$ 8,120	$ 9,070	$ 11,859	$ 28,487
Interest	46,958	44,987	45,649	36,553	36,846	38,177	74,145	89,425
Difference between expected and actual experience	(89,749)	(46,194)	(18,950)	(226,361)	(59,773)	(167,455)	(29,410)	(546,884)
Changes of assumptions	3,002	(41,332)	(6,453)	(209,473)	-	-	55,136	(44,121)
Benefit payments, including refunds of member contributions	(33,261)	(17,564)	(114,611)	(95,045)	(107,146)	(87,100)	(84,759)	(99,785)
Net Change in Total OPEB Liability	(73,050)	(60,103)	(94,365)	(494,326)	(121,953)	(207,308)	26,971	(572,878)
Total OPEB Liability, beginning	994,907	1,055,010	1,149,375	1,643,701	1,765,654	1,972,962	1,945,991	2,518,869
Total OPEB Liability, ending	$ 921,857	$ 994,907	$ 1,055,010	$ 1,149,375	$ 1,643,701	$ 1,765,654	$ 1,972,962	$ 1,945,991
CHANGE IN PLAN FIDUCIARY NET POSITION								
Employer contributions	$ -	$ 60,339	$ -	$ -	$ 200,000	$ -	$ -	$ -
Contributions/benefits paid from general operating funds	33,261	17,564	114,611	95,045	107,146	-	-	-
OPEB plan net investment income (loss)	28,292	26,207	15,175	(18,294)	22,673	-	-	-
Benefit payments, including refunds of member contributions	(33,261)	(17,564)	(114,611)	(95,045)	(107,146)	-	-	-
Administrative expenses	(635)	(534)	(384)	(399)	(348)	-	-	-
Other	-	(13,937)	-	-	-	-	-	-
Net Change in Plan Fiduciary Net Position	27,657	72,075	14,791	(18,693)	222,325	-	-	-
Plan Fiduciary Net Position, beginning	290,498	218,423	203,632	222,325	-	-	-	-
Plan Fiduciary Net Position, ending	$ 318,155	$ 290,498	$ 218,423	$ 203,632	$ 222,325	$ -	$ -	$ -
Plan's Net OPEB Liability	$ 603,702	$ 704,409	$ 836,587	$ 945,743	$ 1,421,376	$ 1,765,654	$ 1,972,962	$ 1,945,991
Plan fiduciary net position as a percentage of the total OPEB liability	34.51%	29.20%	20.70%	17.72%	13.53%	0.00%	0.00%	0.00%

The OPEB plan has no active employees; therefore, no covered payroll is presented.

CITY OF CHARLOTTE
OTHER POST-EMPLOYMENT BENEFITS PLAN
SCHEDULE OF EMPLOYER OPEB CONTRIBUTIONS
LAST EIGHT FISCAL YEARS (ULTIMATELY TEN YEARS WILL BE DISPLAYED)
(AMOUNTS WERE DETERMINED AS OF 6/30 OF EACH FISCAL YEAR)

	2025	2024	2023	2022	2021	2020	2019	2018
Actuarially determined contributions	$ 50,061	$ 55,263	$ 60,339	$ 71,166	$ 87,086	$ 102,000	$ -	$ -
Contributions in relation to the actuarially determined contribution	33,261	77,903	114,611	95,045	307,146	87,100	84,759	99,785
Contribution deficiency (excess)	$ 16,800	$ (22,640)	$ (54,272)	$ (23,879)	$ (220,060)	$ 14,900	$ (84,759)	$ (99,785)

Actuarial valuation information relative to the determination of contributions:

Valuation date	Actuarially determined contribution amounts are calculated as of July 1 every year.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age actuarial cost method
Remaining amortization period	24 years
Health care cost trend rates	7.25%, decreasing to an ultimate rate of 4.50%
Discount rate	4.28%
Mortality	Pub-2010 Public Safety & General Employees and Healthy Retirees, Headcount weighted, MP-2021

CITY OF CHARLOTTE
OTHER POST-EMPLOYMENT BENEFITS PLAN
SCHEDULE OF OPEB INVESTMENT RETURNS
LAST EIGHT FISCAL YEARS (ULTIMATELY TEN YEARS WILL BE DISPLAYED)
(AMOUNTS WERE DETERMINED AS OF 6/30 OF EACH FISCAL YEAR)

	2025	2024	2023	2022	2021	2020	2019	2018
Annual money-weighted rate of return, net of investment expense	9.52%	11.75%	7.26%	-8.41%	28.12%	N/A	N/A	N/A

CITY OF CHARLOTTE
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

NOTE 1 - EMPLOYEE RETIREMENT PLAN

Changes of Benefits Terms

There were no changes of benefit terms for each of the reported plan years.

Changes in Assumptions

Plan Year	
2024	Adopted the results of an experience study covering the period of January 1, 2019 through December 31, 2023.
2023	Discount rate was lowered from 7.25% to 7.18%. Investment rate of return was lowered from 7.00% to 6.93%, net of administrative and investment expenses.
2021	Discount rate was lowered from 7.60% to 7.25%. Investment rate of return was lowered from 7.35% to 7.00%, net of administrative and investment expenses. Mortality rates were updated to be based on the Pub-2010 mortality tables.
2020	Increases in merit and longevity pay assumptions.
2019	Salary increase was decreased from 3.75% to 3.00%. Discount rate was lowered from 8.00% to 7.60%. Investment rate of return was lowered from 7.75% to 7.35%, net of administrative and investment expenses. Adopted the results of an experience study covering the period of January 1, 2014 through December 31, 2018.
2015	Mortality rates were updated to be based on the RP-2014 group mortality tables. Salary increase was decreased from 4.50% to 3.75%. Discount rate was lowered from 8.25% to 8.00%. Investment rate of return was lowered from 8.00% to 7.75%, net of administrative and investment expenses.

NOTE 2 - OTHER POST-EMPLOYMENT BENEFITS PLAN

Changes of Benefits Terms

There were no changes of benefit terms for each of the reported plan years.

NOTE 2 - OTHER POST-EMPLOYMENT BENEFITS PLAN (concluded)

Changes in Assumptions

Plan Year	
2025	Mortality rates updated from 2010 General and Public Safety Healthy Retiree with the 2024 IRS Adjusted Scale MP-2021 to the 2016 Public Safety and General Healthy Retiree, Headcount Weighted with the 2024 IRS Adjusted Scale MP-2021. Trend rate increased by 0.25% instead of decreasing by 0.25% as projected. Discount rate updated from 4.80% to 4.88%.
2024	Mortality Improvement Scale updated to the IRS 2024 Adhysted Scale MP-2021. 20 year Aa Municipal bond rate updated from 4.13% to 4.21%. Discount rate updated from 4.30% to 4.80%.
2023	Medical trend rates updated to those prescribed by PA 202. Discount rate changed from 4.18% to 4.30%.
2022	Mortality Improvement Scale updated from MP-2020 to MP-2021. Trend rates updated to reflect those prescribed by PA 202 for year 2022. Discount rate updated from 2.29% to 4.18%.
2019	Discount rate was updated from 3.87% to 3.50%.
2018	Discount rate was updated from 3.58% to 3.87%.

NOTE 3 - EXCESS OF EXPENDITURES OVER APPROPRIATIONS

Michigan Public Act 621 of 1978, Section 18 and 19, as amended, provides that a local governmental unit not incur expenditures in excess of the amounts appropriated. The City's budgeted expenditures in the General Fund have been adopted at the functional level and at the total expenditure level for the Special Revenue Funds.

During the year ended June 30, 2025, the City incurred expenditures in excess of the amounts appropriated as follows:

	Amounts Appropriated	Amounts Expended	Variance
General Fund			
General government	$ 1,942,646	$ 1,994,775	$ 52,129
Public safety	3,827,867	3,873,215	45,348
Community and economic development	317,367	324,681	7,314
Recreation and culture	180,911	189,934	9,023
Transfers out	303,901	628,369	324,468
Local Streets Fund	402,184	674,408	272,224
Fire Fund	3,080,229	3,157,648	77,419
Industrial Park Fund	37,741	38,449	708

OTHER SUPPLEMENTARY INFORMATION

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Industrial Park - This fund is used to control the expenditure of moneys earmarked for the City's industrial park.

Police Training - This fund is used to control the expenditure of state grant moneys, which are earmarked for the continued training of police officers.

Drug Enforcement - This fund is used to control the expenditures of moneys earmarked for the local D.A.R.E. program.

Camp Frances - The Camp Frances Educational and Recreational Center is a municipal nonprofit corporation formed in 2009 pursuant to the Home Rule City Act as a single-member corporation. The City Council is the single member and appoints a board of trustees to manage a camp building and surrounding grounds in Bennett Park and to provide for educational and recreational activities there.

Grant - This fund is used to control the expenditure of federal grant moneys, which are earmarked for certain projects within the community.

DEBT SERVICE FUNDS

Facility Building Bond Fund - This fund is used for payment of the 2017 General Obligation Unlimited Tax Refunding Bonds, issued to cover $3,000,000 of construction costs of a new fire station and renovations.

CITY OF CHARLOTTE
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2025

	Special Revenue					Debt Service	
	Industrial Park	Police Training	Drug Enforcement	Camp Frances	Grant	Facility Building Bond	Total
ASSETS							
Cash and cash equivalents	$ 223,204	$ 25,331	$ 5,087	$ 24,299	$ 15,211	$ 188,486	$ 481,618
Prepaids	-	-	-	45	-	-	45
TOTAL ASSETS	$ 223,204	$ 25,331	$ 5,087	$ 24,344	$ 15,211	$ 188,486	$ 481,663
LIABILITIES							
Accounts payable	$ 710	$ -	$ -	$ 51	$ 10,298	$ -	$ 11,059
FUND BALANCES							
Nonspendable	-	-	-	45	-	-	45
Restricted	222,494	25,331	5,087	24,248	4,913	188,486	470,559
TOTAL FUND BALANCES	222,494	25,331	5,087	24,293	4,913	188,486	470,604
TOTAL LIABILITIES AND FUND BALANCES	$ 223,204	$ 25,331	$ 5,087	$ 24,344	$ 15,211	$ 188,486	$ 481,663

CITY OF CHARLOTTE
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2025

	Special Revenue						Debt Service	
	Formerly Nonmajor Local Streets	Industrial Park	Police Training	Drug Enforcement	Camp Frances	Grant	Facility Building Bond	Total
REVENUES								
Property taxes		$ -	$ -	$ -	$ -	$ -	$ 216,876	$ 216,876
Intergovernmental		-	2,795	-	-	-	9,171	11,966
Interest and rents		6,128	2,403	165	5,594	523	6,844	21,657
Other		-	-	-	4,091	-	-	4,091
TOTAL REVENUES		6,128	5,198	165	9,685	523	232,891	254,590
EXPENDITURES								
Current								
Public safety		-	-	1,500	-	-	-	1,500
Community and economic development		38,449	-	-	-	17,993	-	56,442
Recreation and culture		-	-	-	2,377	-	-	2,377
Debt service		-	-	-	-	-	203,700	203,700
TOTAL EXPENDITURES		38,449	-	1,500	2,377	17,993	203,700	264,019
NET CHANGE IN FUND BALANCES		(32,321)	5,198	(1,335)	7,308	(17,470)	29,191	(9,429)
Fund balances, beginning of year, as previously presented	1,115,771	254,815	20,133	6,422	16,985	22,383	159,295	1,595,804
Adjustments to beginning fund balance	(1,115,771)	-	-	-	-	-	-	(1,115,771)
Fund balances, beginning of year, as restated		254,815	20,133	6,422	16,985	22,383	159,295	480,033
Fund balances, end of year		$ 222,494	$ 25,331	$ 5,087	$ 24,293	$ 4,913	$ 188,486	$ 470,604

CITY OF CHARLOTTE
NONMAJOR SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2025

	Industrial Park Fund			
	Original Budget	Final Amended Budget	Actual	Variances with Final Budget Positive (Negative)
REVENUES				
Interest and rents	$ 10,100	$ 10,100	$ 6,128	$ (3,972)
EXPENDITURES				
Current				
Community and economic development	33,000	37,741	38,449	(708)
NET CHANGE IN FUND BALANCE	(22,900)	(27,641)	(32,321)	(4,680)
Fund balance, beginning of year	254,815	254,815	254,815	-
Fund balance, end of year	$ 231,915	$ 227,174	$ 222,494	$ (4,680)

CITY OF CHARLOTTE
NONMAJOR SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (continued)
YEAR ENDED JUNE 30, 2025

	Police Training Fund			
	Original Budget	Final Amended Budget	Actual	Variances with Final Budget Positive (Negative)
REVENUES				
Intergovernmental	$ 5,000	$ 5,000	$ 2,795	$ (2,205)
Interest	400	400	2,403	2,003
TOTAL REVENUES	5,400	5,400	5,198	(202)
EXPENDITURES				
Current				
Public safety	5,400	5,400	-	5,400
NET CHANGE IN FUND BALANCE	-	-	5,198	5,198
Fund balance, beginning of year	20,133	20,133	20,133	-
Fund balance, end of year	$ 20,133	$ 20,133	$ 25,331	$ 5,198

CITY OF CHARLOTTE
NONMAJOR SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (continued)
YEAR ENDED JUNE 30, 2025

	Drug Enforcement Fund			
	Original Budget	Final Amended Budget	Actual	Variances with Final Budget Positive (Negative)
REVENUES				
Interest	$ -	$ -	$ 165	$ 165
EXPENDITURES				
Current				
Public safety	1,500	1,500	1,500	-
NET CHANGE IN FUND BALANCE	(1,500)	(1,500)	(1,335)	165
Fund balance, beginning of year	6,422	6,422	6,422	-
Fund balance, end of year	$ 4,922	$ 4,922	$ 5,087	$ 165

CITY OF CHARLOTTE
NONMAJOR SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (continued)
YEAR ENDED JUNE 30, 2025

	Camp Frances Fund			
	Original Budget	Final Amended Budget	Actual	Variances with Final Budget Positive (Negative)
REVENUES				
Interest and rents	$ 3,500	$ 3,500	$ 5,594	$ 2,094
Other	-	-	4,091	4,091
TOTAL REVENUES	3,500	3,500	9,685	6,185
EXPENDITURES				
Current				
Recreation and culture	3,500	3,500	2,377	1,123
NET CHANGE IN FUND BALANCE	-	-	7,308	5,062
Fund balance, beginning of year	16,985	16,985	16,985	-
Fund balance, end of year	$ 16,985	$ 16,985	$ 24,293	$ 7,308

CITY OF CHARLOTTE
NONMAJOR SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (concluded)
YEAR ENDED JUNE 30, 2025

	Grant Fund			
	Original Budget	Final Amended Budget	Actual	Variances with Final Budget Positive (Negative)
REVENUES				
Intergovernmental	$ 236,000	$ 236,000	$ -	$ (236,000)
Interest	-	-	523	523
TOTAL REVENUES	236,000	236,000	523	(235,477)
EXPENDITURES				
Current				
Community and economic development	236,000	236,000	17,993	218,007
NET CHANGE IN FUND BALANCE	-	-	(17,470)	(17,470)
Fund balance, beginning of year	22,383	22,383	22,383	-
Fund balance, end of year	$ 22,383	$ 22,383	$ 4,913	$ (17,470)

INTERNAL SERVICE FUNDS

Motor Vehicle Pool - This fund is used to account for the operations of the motor pool for the City.

Information Technology - Provides computer services to the various other funds that use the City's network.

CITY OF CHARLOTTE
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2025

	Motor Vehicle Pool	Information Technology Pool	Total
ASSETS			
Current assets			
Cash and cash equivalents	$ 435,245	$ 115,671	$ 550,916
Prepaids	18,120	-	18,120
Total current assets	453,365	115,671	569,036
Noncurrent assets			
Capital assets not being depreciated	31,500	-	31,500
Capital assets, net of accumulated depreciation	1,187,650	85,722	1,273,372
Total noncurrent assets	1,219,150	85,722	1,304,872
TOTAL ASSETS	1,672,515	201,393	1,873,908
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources related to pension	22,489	-	22,489
LIABILITIES			
Current liabilities			
Accounts payable	3,226	29,442	32,668
Accrued liabilities	2,495	-	2,495
Total current liabilities	5,721	29,442	35,163
Noncurrent liabilities			
Net pension liability	166,236	-	166,236
TOTAL LIABILITIES	171,957	29,442	201,399
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources related to pension	1,771	-	1,771
NET POSITION			
Investment in capital assets	1,219,150	85,722	1,304,872
Unrestricted	302,126	86,229	388,355
TOTAL NET POSITION	$ 1,521,276	$ 171,951	$ 1,693,227

CITY OF CHARLOTTE
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2025

	Motor Vehicle Pool	Information Technology Pool	Total
OPERATING REVENUES			
Charges to other funds	$ 543,932	$ 143,457	$ 687,389
OPERATING EXPENSES			
Personnel services	163,098	-	163,098
Material and supplies	98,595	6,624	105,219
Utilities	37,099	45,541	82,640
Contractual	54,109	197,042	251,151
Insurance	16,762	-	16,762
Other expenses	8,154	12,769	20,923
Depreciation	187,099	14,873	201,972
TOTAL OPERATING EXPENSES	564,916	276,849	841,765
OPERATING (LOSS)	(20,984)	(133,392)	(154,376)
NONOPERATING REVENUES			
Interest earnings	6,758	4,901	11,659
Gain on sale of assets	26,852	-	26,852
TOTAL NONOPERATING REVENUES	33,610	4,901	38,511
CHANGE IN NET POSITION	12,626	(128,491)	(115,865)
Net position, beginning of year	1,508,650	300,442	1,809,092
Net position, end of year	$ 1,521,276	$ 171,951	$ 1,693,227

CITY OF CHARLOTTE
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2025

	Motor Vehicle Pool	Information Technology Pool	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from interfund services provided	$ 543,932	$ 143,457	$ 687,389
Cash paid to suppliers	(289,821)	(257,261)	(547,082)
Cash paid to employees	(84,160)	-	(84,160)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	169,951	(113,804)	56,147
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchases of capital assets	(314,827)	(29,709)	(344,536)
Proceeds from sale of capital assets	26,852	-	26,852
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	(287,975)	(29,709)	(317,684)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	6,758	4,901	11,659
NET DECREASE IN CASH AND CASH EQUIVALENTS	(111,266)	(138,612)	(249,878)
Cash and cash equivalents, beginning of year	546,511	254,283	800,794
Cash and cash equivalents, end of year	$ 435,245	$ 115,671	$ 550,916
Reconciliation of operating (loss) to net cash provided (used) by operating activities			
Operating (loss)	$ (20,984)	$ (133,392)	$ (154,376)
Adjustment to reconcile operating (loss) to net cash provided (used) by operating activities			
Depreciation	187,099	14,873	201,972
Decrease in:			
Prepaids	1,058	-	1,058
Deferred outflows of resources related to pension	7,321	-	7,321
Increase (decrease) in:			
Accounts payable	(4,544)	4,715	171
Accrued liabilities	1,015	-	1,015
Net pension liability	(683)	-	(683)
Deferred inflows of resources related to pension	(331)	-	(331)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	$ 169,951	$ (113,804)	$ 56,147

CUSTODIAL FUNDS

Charlotte Area Recreation Cooperative - This fund is used to account for collection, custody, and disbursement of various deposits on behalf of external entities or individuals.

Current Tax Collection – This fund is used to account for the collection, custody, and disbursement of current taxes and fees on behalf of other entities and individuals.

CITY OF CHARLOTTE
CUSTODIAL FUNDS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2025

	Charlotte Area Recreation Cooperative	Current Tax Collection	Total
ASSETS			
Cash	$ 110,223	$ 7,223	$ 117,446
LIABILITIES			
Due to other governmental units	720	7,223	7,943
NET POSITION			
Restricted for individuals, organizations, and other governments	$ 109,503	$ -	$ 109,503

CITY OF CHARLOTTE
CUSTODIAL FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
YEAR ENDED JUNE 30, 2025

	Charlotte Area Recreation Cooperative	Current Tax Collection	Total
ADDITIONS			
Other additions	$ 31,228	$ -	$ 31,228
Collection of taxes for other governments	-	10,296,481	10,296,481
TOTAL ADDITIONS	31,228	10,296,481	10,327,709
DEDUCTIONS			
Other deductions	31,927	-	31,927
Payment of taxes collected for other governments	-	10,296,481	10,296,481
TOTAL DEDUCTIONS	31,927	10,296,481	10,328,408
NET CHANGE IN FIDUCIARY NET POSITION	(699)	-	(699)
Net position, beginning of year	110,202	-	110,202
Net position, end of year	$ 109,503	$ -	$ 109,503

STATISTICAL SECTION

STATISTICAL SECTION

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

Contents Page

Financial Trends 95-99

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

Revenue Capacity 100-103

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

Debt Capacity 104-108

These schedules present information to help the reader assess the affordability of the government's current level of outstanding debt and the government's ability to issue additional debt in the future.

Demographic and Economic Information 109-110

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

Operating Information 111-113

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

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

TABLE 1

CITY OF CHARLOTTE
NET POSITION BY COMPONENT
2016-2025
(UNAUDITED)
(ACCRUAL BASIS OF ACCOUNTING)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Governmental Activities										
Net investment in capital assets	$ 14,928,939	$ 14,741,754	$ 13,934,175	$ 15,034,711	$ 15,334,364	$ 15,731,917	$ 15,329,601	$ 16,362,416	$ 18,735,597	$ 19,203,900
Restricted	1,665,202	1,773,032	2,137,526	1,537,149	1,496,722	1,866,627	2,274,848	2,686,939	3,385,172	4,055,689
Unrestricted	(3,756,822)	(4,443,793)	(5,945,945)	(7,253,741)	(8,460,578)	(8,257,033)	(6,775,998)	(6,156,173)	(4,444,184)	(4,862,136)
Total net position	**$ 12,837,319**	**$ 12,070,993**	**$ 10,125,756**	**$ 9,318,119**	**$ 8,370,508**	**$ 9,341,511**	**$ 10,828,451**	**$ 12,893,182**	**$ 17,676,585**	**$ 18,397,453**
Business Type Activities										
Net investment in capital assets	$ 11,317,330	$ 12,018,103	$ 12,781,541	$ 13,381,230	$ 13,409,769	$ 13,759,049	$ 13,897,019	$ 14,232,123	$ 15,106,065	$ 14,758,413
Restricted	550,448	443,321	471,890	506,988	416,441	336,483	302,589	421,534	-	-
Unrestricted	476,108	344,157	(243,555)	(542,164)	(36,580)	481,788	1,613,711	1,911,721	2,973,974	4,233,469
Total net position	**$ 12,343,886**	**$ 12,805,581**	**$ 13,009,876**	**$ 13,346,054**	**$ 13,789,630**	**$ 14,577,320**	**$ 15,813,319**	**$ 16,565,378**	**$ 18,080,039**	**$ 18,991,882**
Primary Government in Total										
Net investment in capital assets	$ 26,246,269	$ 26,759,857	$ 26,715,716	$ 28,415,941	$ 28,744,133	$ 29,490,966	$ 29,226,620	$ 30,594,539	$ 33,841,662	$ 33,962,313
Restricted	2,215,650	2,216,353	2,609,416	2,044,137	1,913,163	2,203,110	2,577,437	3,108,473	3,385,172	4,055,689
Unrestricted	(3,280,714)	(4,099,636)	(6,189,500)	(7,795,905)	(8,497,158)	(7,775,245)	(5,162,287)	(4,244,452)	(1,470,210)	(628,667)
Total net position	**$ 25,181,205**	**$ 24,876,574**	**$ 23,135,632**	**$ 22,664,173**	**$ 22,160,138**	**$ 23,918,831**	**$ 26,641,770**	**$ 29,458,560**	**$ 35,756,624**	**$ 37,389,335**

TABLE 2

CITY OF CHARLOTTE
CHANGES IN NET POSITION
2016-2025
(UNAUDITED)
(ACCRUAL BASIS OF ACCOUNTING)

Governmental Activities

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Expenses										
General Government	$ 719,069	$ 773,727	$ 659,443	$ 1,004,556	$ 824,742	$ 1,070,178	$ 525,488	$ 1,220,034	$ 1,756,703	$ 2,204,849
Public Safety	3,555,820	3,541,230	3,476,023	3,837,799	3,926,436	3,492,251	4,028,306	4,317,414	4,291,076	6,498,849
Public Works	2,087,823	2,305,536	2,371,108	2,312,824	2,324,473	2,042,552	1,856,696	1,598,933	1,800,537	2,345,793
Community and economic development	578,019	393,845	288,705	247,201	221,846	360,727	226,388	294,289	418,468	356,331
Recreation and culture	410,365	319,348	419,589	420,460	352,839	338,182	417,502	228,699	343,267	308,277
Interest on long-term debt	121,406	107,323	79,878	59,830	55,866	52,182	23,799	34,298	37,371	32,092
Total governmental activities	7,472,502	7,441,009	7,294,746	7,882,670	7,706,202	7,356,072	7,078,179	7,693,667	8,647,422	11,746,191
Program Revenue										
Charges for services										
General Government	63,599	155,466	167,781	161,225	228,377	171,780	111,500	294,839	664,206	513,906
Public Safety	301,696	299,771	322,185	329,642	327,395	303,966	406,353	435,578	502,907	619,086
Public Works	-	-	-	-	-	-	-	120,486	117,307	115,518
Community Development	-	-	-	-	-	-	-	-	18,100	-
Recreation and Culture	-	-	-	-	-	-	-	723	-	-
Total charges for services	365,295	455,237	489,966	490,867	555,772	475,746	517,853	851,626	1,302,520	1,248,510
Operating grants and contributions	705,354	699,468	897,919	896,463	936,311	1,328,827	1,251,731	2,941,775	4,005,778	3,306,306
Capital grants and contributions	752,267	334,589	186,040	125,381	1,142	997,269	36,370	4,023	1,516,987	493,577
Total program revenue	1,822,916	1,489,294	1,573,925	1,512,711	1,493,225	2,801,842	1,805,954	3,797,424	6,825,285	5,048,393
Net (expense) revenue	**$ (5,649,586)**	**$ (5,951,715)**	**$ (5,720,821)**	**$ (6,369,959)**	**$ (6,212,977)**	**$ (4,554,230)**	**$ (5,272,225)**	**$ (3,896,243)**	**$ (1,822,137)**	**$ (6,697,798)**
General Revenues										
Property taxes	$ 3,689,202	$ 3,674,424	$ 3,651,312	$ 3,687,465	$ 3,779,354	$ 3,910,104	$ 4,908,600	$ 4,608,016	$ 4,856,572	$ 5,636,621
Marijuana taxes	-	-	-	-	-	-	-	-	-	174,686
State shared revenue	995,879	1,129,391	1,255,119	1,284,001	1,199,319	1,399,651	1,521,354	1,162,995	1,191,438	1,194,282
Investment earnings	9,666	13,087	27,550	53,208	59,258	3,914	3,849	179,041	307,701	343,351
Miscellaneous	456,882	376,242	366,018	546,748	239,639	211,564	325,362	10,922	249,829	26,852
Total general revenues	5,151,629	5,193,144	5,299,999	5,571,422	5,277,570	5,525,233	6,759,165	5,960,974	6,605,540	7,375,792
Transfers	-	(7,755)	(8,736)	(9,100)	(12,204)	-	-	-	-	-
Extraordinary items	-	-	-	-	-	-	-	-	-	-
Changes in Net Position	**$ (497,957)**	**$ (766,326)**	**$ (429,558)**	**$ (807,637)**	**$ (947,611)**	**$ 971,003**	**$ 1,486,940**	**$ 2,064,731**	**$ 4,783,403**	**$ 677,994**

TABLE 2

CITY OF CHARLOTTE
CHANGES IN NET POSITION
2016-2025
(UNAUDITED)
(ACCRUAL BASIS OF ACCOUNTING)

Business-type Activities

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Operating Revenue										
Sale of water	$ 1,501,145	$ 1,557,821	$ 1,549,416	$ 1,587,517	$ 1,527,886	$ 1,793,030	$ 1,798,004	$ 1,883,470	$ 2,013,833	$ 1,939,829
Sewage disposal charges	2,101,169	2,171,562	2,137,049	2,193,108	2,325,035	2,775,613	2,907,693	2,946,508	3,006,111	2,809,185
Tap fees	-	-	-	-	-	-	-	1,750	-	-
Recycling fees	27,526	30,365	23,806	16,160	8,996	16,594	34,417	-	14,721	31,109
Other	53,720	35,567	22,870	118,453	68,271	81,170	75,845	30,608	59,633	25,968
Total operating revenue	3,683,560	3,795,315	3,733,141	3,915,238	3,930,188	4,666,407	4,815,959	4,862,336	5,094,298	4,806,091
Operating Expenses										
Cost of services	2,291,681	2,527,059	2,673,925	2,789,095	2,721,632	3,153,766	2,995,435	3,712,394	3,383,716	3,336,099
Recycling	66,360	67,391	67,102	63,191	62,855	55,415	60,122	56,658	57,694	77,554
Depreciation	667,423	672,430	661,732	699,425	686,817	640,756	606,103	574,052	599,712	589,485
Total operating expenses	3,025,464	3,266,880	3,402,759	3,551,711	3,471,304	3,849,937	3,661,660	4,343,104	4,041,122	4,003,138
Net (expense) revenue	**$ 658,096**	**$ 528,435**	**$ 330,382**	**$ 363,527**	**$ 458,884**	**$ 816,470**	**$ 1,154,299**	**$ 519,232**	**$ 1,053,176**	**$ 802,953**
Nonoperating Revenue (Expenses)										
Interest income	$ 3,025	$ 5,498	$ 7,750	$ 29,912	$ 16,804	$ 3,153	$ 2,885	$ 67,742	$ 96,837	$ 108,502
Interest expense	(132,528)	(110,741)	(108,104)	(87,778)	(84,841)	(75,841)	(66,641)	(52,541)	(38,141)	-
Gain (loss) on disposal of assets	(2,612)	-	-	-	-	70	-	-	-	-
Other	21,947	24,948	27,776	21,417	40,525	43,838	145,456	196,109	402,789	56,436
Income (Loss) - Before contributions and other items	547,928	448,140	257,804	327,078	431,372	787,690	1,235,999	730,542	1,514,661	967,891
Transfers (to) from other funds	-	7,755	8,736	9,100	12,204	-	-	-	-	-
Change in Net Position	**$ 547,928**	**$ 455,895**	**$ 266,540**	**$ 336,178**	**$ 443,576**	**$ 787,690**	**$ 1,235,999**	**$ 730,542**	**$ 1,514,661**	**$ 967,891**
Total Primary Government Revenue	$ 10,658,105	$ 10,469,998	$ 10,598,329	$ 11,050,700	$ 10,758,312	$ 13,040,543	$ 13,529,419	$ 12,089,312	$ 19,024,749	$ 17,395,219
Total Primary Government Expense	10,608,134	10,780,429	10,761,347	11,522,159	11,262,347	11,281,850	10,806,480	14,906,102	12,726,685	15,749,329
Total Primary Government Change in Net Position	**$ 49,971**	**$ (310,431)**	**$ (163,018)**	**$ (471,459)**	**$ (504,035)**	**$ 1,758,693**	**$ 2,722,939**	**$ (2,816,790)**	**$ 6,298,064**	**$ 1,645,890**

TABLE 3

CITY OF CHARLOTTE
FUND BALANCES
GOVERNMENTAL FUNDS
2016-2025
(UNAUDITED)
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Fund										
Nonspendable	$ 165,380	$ 177,540	$ 190,095	$ 178,658	$ 130,650	$ 110,125	$ 119,938	$ 156,886	$ 148,009	$ 134,845
Assigned	445,000	380,000	200,000	200,000	1,012,030	812,409	812,727	822,858	841,375	859,219
Unassigned	2,289,441	2,026,452	2,398,531	1,774,512	301,422	336,617	1,074,734	2,124,938	2,919,706	2,751,212
Total general fund	$ 2,899,821	$ 2,583,992	$ 2,788,626	$ 2,153,170	$ 1,444,102	$ 1,259,151	$ 2,007,399	$ 3,104,682	$ 3,909,090	$ 3,745,276
All other governmental funds										
Nonspendable	$ 2,758	$ 2,199	$ 7,056	$ 6,437	$ 4,042	$ 2,136	$ 4,264	$ 18,057	$ 42,112	$ 45,790
Assigned	70	-	-	-	-	-	-	-	-	-
Restricted	1,618,516	1,731,971	2,095,920	1,499,435	1,432,389	1,808,157	2,216,557	2,676,132	3,349,510	4,015,524
Unreserved/Unassigned - Report in:										
Special revenue funds	(133,225)	(171,328)	(57,454)	-	-	-	-	-	-	-
Total all other governmental funds	1,488,119	1,562,842	2,045,522	1,505,872	1,436,431	1,810,293	2,220,821	2,694,189	3,391,622	4,061,314
Total of all governmental funds	**$ 4,387,940**	**$ 4,146,834**	**$ 4,834,148**	**$ 3,659,042**	**$ 2,880,533**	**$ 3,069,444**	**$ 4,228,220**	**$ 5,798,871**	**$ 7,300,712**	**$ 7,806,590**

TABLE 4

CITY OF CHARLOTTE
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
2016-2025
(UNAUDITED)
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue										
Property taxes	$ 3,708,172	$ 3,655,814	$ 3,651,312	$ 3,687,465	$ 3,779,354	$ 3,910,104	$ 4,908,600	$ 4,757,763	$ 5,011,390	$ 5,811,307
Special assessments	3,280	5,066	4,312	3,273	5,550	4,924	4,738	3,684	3,339	3,128
Licenses and permits	36,963	40,748	96,792	45,774	51,384	74,747	12,107	11,612	34,415	42,847
Intergovernmental	2,139,910	1,837,828	2,332,470	2,305,845	2,137,413	3,151,749	2,731,793	4,100,103	6,506,219	4,667,661
Charges for services	359,754	353,019	370,334	814,712	454,321	383,419	491,083	871,791	920,080	1,369,510
Fines and forfeitures	29,025	26,732	19,030	22,841	13,112	13,455	14,663	17,168	3,419	14,242
Other	466,548	389,329	393,568	201,206	298,897	215,478	329,211	411,800	995,432	480,099
Total revenue	6,743,652	6,308,536	6,867,818	7,081,116	6,740,031	7,753,876	8,492,195	10,173,921	13,474,294	12,388,794
Expenditures										
Current										
General government	515,507	516,184	736,848	742,585	823,829	1,288,430	944,612	1,741,301	1,991,321	1,994,775
Public safety	2,810,223	2,907,375	2,878,350	3,005,216	3,215,858	3,222,683	3,721,442	4,527,039	5,559,980	7,020,669
Public works	1,170,416	1,240,303	1,245,922	1,400,675	1,378,203	1,362,995	1,195,490	1,738,509	3,615,900	2,078,644
Recreation and culture	258,361	219,043	243,776	190,075	230,177	204,445	329,318	104,858	127,345	192,311
Community and economic development	303,085	293,356	270,809	223,450	216,133	353,867	227,334	270,185	451,026	381,123
Capital outlay	632,544	1,025,280	621,692	2,452,783	1,408,124	896,333	717,873	-	-	-
Debt service - Principal	435,131	232,312	140,444	166,046	171,668	177,292	145,000	172,250	182,698	176,465
Debt service - Interest	122,923	108,034	85,620	66,292	62,344	58,920	52,350	49,128	44,183	38,929
Total expenditures	6,248,190	6,541,887	6,223,461	8,247,122	7,506,336	7,564,965	7,333,419	8,603,270	11,972,453	11,882,916
Excess of Revenue (Under) Over Expenditures	495,462	(233,351)	644,357	(1,166,006)	(766,305)	188,911	1,158,776	1,570,651	1,501,841	505,878
Other Financing Sources (Uses)										
Proceeds from long-term debt	-	-	2,165,000	-	-	-	-	-	-	-
Debt Premium	-	-	119,664	-	-	-	-	-	-	-
Payment to bond refunding escrow agent	-	-	(2,232,971)	-	-	-	-	-	-	-
Sale of fixed assets	-	-	-	-	-	-	-	-	-	-
Transfers in	142,090	95,968	24,504	126,600	155,504	142,992	730,667	339,623	292,056	728,369
Transfers out	(142,090)	(103,723)	(33,240)	(135,700)	(167,708)	(142,992)	(730,667)	(339,623)	(292,056)	(728,369)
Total other financing sources (uses)	-	(7,755)	42,957	(9,100)	(12,204)	-	-	-	-	-
Extraordinary Item	-	-	-	-	-	-	-	-	-	-
Net change in fund balances	495,462	(241,106)	687,314	(1,175,106)	(778,509)	188,911	1,158,776	1,570,651	1,501,841	505,878
Fund Balances - Beginning of year	3,892,478	4,387,940	4,146,834	4,834,148	3,659,042	2,880,533	3,069,444	4,228,220	5,798,871	7,300,712
Fund Balances - End of year	**$ 4,387,940**	**$ 4,146,834**	**$ 4,834,148**	**$ 3,659,042**	**$ 2,880,533**	**$ 3,069,444**	**$ 4,228,220**	**$ 5,798,871**	**$ 7,300,712**	**$ 7,806,590**
Debt service as a percentage of noncapital expenditures	9.82%	6.32%	3.88%	3.09%	3.45%	3.45%	2.98%	2.81%	1.90%	1.81%

TABLE 5

CITY OF CHARLOTTE
TAXABLE VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN YEARS
(UNAUDITED)

		Taxable Value by Property Type							
		Real Property							
Tax Year	Fiscal Year	Residential	Commercial	Industrial	Personal Property	Total Taxable Value	Total Direct Tax Rate (mills)	Estimated Actual Value	As a Percent of Actual Value
2015	2016	$ 122,030,754	$ 47,467,663	$ 15,862,719	$ 24,034,894	$ 209,396,030	15.34	$ 442,609,990	46.99
2016	2017	121,779,898	47,299,632	15,890,865	19,413,570	204,383,965	15.35	450,801,676	46.15
2017	2018	124,158,319	47,940,021	17,604,889	18,996,169	208,699,398	15.35	453,133,610	44.69
2018	2019	127,859,842	48,967,115	17,562,619	17,338,923	211,728,499	15.29	477,341,156	44.36
2019	2020	132,364,438	51,156,082	17,685,965	16,274,700	217,481,185	15.41	503,585,046	43.19
2020	2021	136,819,202	52,265,904	20,998,175	15,726,900	225,810,181	15.36	538,404,566	41.94
2021	2022	141,894,337	53,413,893	24,227,967	15,372,000	234,908,197	19.15	566,043,144	41.50
2022	2023	150,426,553	55,271,822	26,293,319	14,517,800	246,509,494	19.09	604,226,222	40.80
2023	2024	163,124,155	56,390,981	27,765,364	13,360,700	260,641,200	20.97	658,915,622	39.56
2024	2025	177,057,815	59,578,526	31,281,653	20,675,000	288,592,994	20.86	742,227,074	38.88

Note: Under Michigan law, the revenue base is referred to as "taxable value." This amount represents assessed value (50 percent of true cash value), limited for each property by the lower of 5 percent or inflation.

Taxes levied in a particular "tax year" become revenue of the subsequent fiscal year.

Source: Treasurer, City of Charlotte

TABLE 6

CITY OF CHARLOTTE
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN YEARS
(UNAUDITED)

	Millage Rates - Direct City				Overlapping Taxes		Overlapping Taxes				Total Tax Rate	
Tax Year	General - Operating	Debt	Special Purpose	Total Direct Taxes	County	State Education Tax	District Library	Intermediate School District	Public Schools - Homestead	Public Schools - Nonhomestead	Homestead	Non-homestead
2024	14.09	0.71	6.06	20.86	9.58	6.0000	1.3715	4.6371	8.0808	26.0808	48.6890	68.5271
2023	14.14	0.90	5.93	20.96	9.58	6.0000	1.3768	3.7387	8.0848	26.0848	49.7447	67.7447
2022	14.14	0.90	4.05	19.09	9.58	6.0000	1.3768	3.7387	8.0846	26.0846	47.8701	65.8701
2021	14.25	0.90	4.00	19.15	9.08	6.0000	1.3885	3.7441	8.0900	26.0900	47.4526	65.4526
2020	14.28	0.90	0.18	15.36	9.08	6.0000	1.3951	3.7582	8.0900	26.0900	43.6833	61.6833
2019	14.29	0.94	0.18	15.41	9.09	6.0000	1.4000	3.8788	8.0900	26.0900	43.8687	61.8687
2018	14.29	0.90	0.10	15.29	9.09	6.0000	1.4000	3.8788	8.0900	26.0900	43.7487	61.7487
2017	14.29	1.00	0.10	15.39	9.09	6.0000	0.9000	3.8778	8.0900	26.0900	43.3477	61.3477
2016	14.29	0.96	0.10	15.35	9.09	6.0000	0.9000	3.8778	8.0900	26.0900	43.3077	61.3077
2015	14.29	0.96	0.10	15.35	9.09	6.0000	0.9000	3.8778	8.0900	26.0900	43.3077	61.3077

Note: Michigan law restricts the maximum millage that may be levied by the City without a vote of our residents at 14.2913 mills for general operations

TABLE 7

CITY OF CHARLOTTE
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)

	Taxpayer	2024 Taxable Value	Percentage of Total	2015 Taxable Value	Percentage of Total	2014 Rank
1	Shyft Group/Spartan Motors	$ 10,306,586	19.09%	$ 12,717,286	30.92%	1
2	Consumers Energy	8,772,393	16.25%	4,968,185	12.08%	2
3	Meijer, Inc.	7,966,754	14.75%	4,438,590	10.79%	3
4	500 Packard Highway LLC	5,960,325	11.04%			
5	Spartan Fire LLC	5,465,565	10.12%			
6	Victorinox LLC	3,778,469	7.00%	2,188,710	5.32%	8
7	Wal-Mart Stores, Inc.	3,067,900	5.68%	3,862,875	9.39%	4
8	Comcast of MI IV LLC	3,717,900	6.89%			
9	Legacy Parke Partners LLC	2,705,055	5.01%	2,172,540	5.28%	9
10	The Carrington Company	2,256,255	4.18%			
	Linn Products, Inc.			3,783,636	9.20%	5
	Enovapremier of Michigan LLC			2,966,312	7.21%	6
	Alro Steel Corporation			2,734,752	6.65%	7
	Butternut Creek Apartments			1,292,578	3.14%	10
	Total	$ 53,997,202		$ 41,125,464		

TABLE 8

CITY OF CHARLOTTE
PROPERTY TAX LEVIES AND COLLECTIONS
GENERAL PROPERTY TAX LEVY
LAST TEN YEARS
(UNAUDITED)

Tax Year	Fiscal Year	Total Tax Levy	Current Collections	Percent Collected	Delinquent Collections	Total Tax Collections	Percent Collected
2015	2016	$ 3,192,615	$ 3,082,696	96.56	$ 108,822	$ 3,191,518	99.97
2016	2017	3,108,121	3,006,852	96.74	85,776	3,092,628	99.50
2017	2018	3,249,045	3,128,735	96.30	119,934	3,248,669	99.99
2018	2019	3,278,529	3,176,132	96.88	99,529	3,275,661	99.91
2019	2020	3,393,913	3,296,164	97.12	91,971	3,388,136	99.83
2020	2021	3,525,635	3,403,585	96.54	114,600	3,518,185	99.79
2021	2022	4,019,599	3,926,933	97.69	89,026	4,015,959	99.91
2022	2023	4,652,272	4,539,005	97.57	111,365	4,650,370	99.96
2023	2024	4,926,548	4,787,290	97.17	135,951	4,923,241	99.93
2024	2025	5,317,380	5,161,240	97.06	136,853	5,298,093	99.64

TABLE 9

CITY OF CHARLOTTE
RATIOS OF OUTSTANDING DEBT
LAST TEN YEARS
(UNAUDITED)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Governmental Activities										
General obligation bonds	$ 2,490,000	$ 2,310,000	$ 2,165,000	$ 2,030,000	$ 1,890,000	$ 1,745,000	$ 1,600,000	$ 1,450,000	$ 1,290,000	$ 1,125,000
Loans payable	251,512	203,672	173,237	142,188	110,525	78,228	56,413	34,163	11,465	-
Economic development agreement	4,464	-	-	-	-	-	-	-	-	-
Total	2,745,976	2,513,672	2,338,237	2,172,188	2,000,525	1,823,228	1,656,413	1,484,163	1,301,465	1,125,000
Business Type Activities										
General obligation bonds	-	-	-	-	-	-	-	-	-	-
Loans payable	-	-	-	-	-	-	-	-	-	-
Revenue bonds	3,650,000	3,225,000	2,795,000	2,355,000	1,905,000	1,445,000	975,000	495,000	-	-
Total	3,650,000	3,225,000	2,795,000	2,355,000	1,905,000	1,445,000	975,000	495,000	-	-
Total debt of the government	**$ 6,395,976**	**$ 5,738,672**	**$ 5,133,237**	**$ 4,527,188**	**$ 3,905,525**	**$ 3,268,228**	**$ 2,631,413**	**$ 1,979,163**	**$ 1,301,465**	**$ 1,125,000**
Total Population *	9,094	9,079	9,068	9,090	9,299	9,299	9,299	9,299	9,299	9,291
Total debt per capita	703	632	566	498	420	351	283	213	140	121

TABLE 10

CITY OF CHARLOTTE
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN YEARS
(UNAUDITED)

Fiscal Year	Tax-limited General Obligation Bonds (LTGO)	Tax-supported Bonds (UTGO)	Less Pledged Debt Service Funds	Net General Bonded Debt	Taxable Value	Debt as a Percentage of Taxable Value	Population	Debt per Capita
2016	$ 75,000	$ 2,415,000	$ -	$ (2,340,000)	$ 209,396,030	(1.12)	9,094	$ (257)
2017	-	2,310,000	-	(2,310,000)	204,383,965	(1.13)	9,079	(254)
2018	-	2,165,000	-	(2,165,000)	208,699,398	(1.04)	9,068	(239)
2019	-	2,030,000	-	(2,030,000)	211,728,499	(0.96)	9,090	(223)
2020	-	1,890,000	-	(1,890,000)	217,481,185	(0.87)	9,299	(203)
2021	-	1,745,000	-	(1,745,000)	225,810,181	(0.77)	9,299	(188)
2022	-	1,600,000	-	(1,600,000)	234,908,197	(0.68)	9,299	(172)
2023	-	1,450,000	-	(1,450,000)	246,509,494	(0.59)	9,299	(156)
2024	-	1,290,000	-	(1,290,000)	260,641,200	(0.49)	9,299	(139)
2025	-	1,125,000	-	(1,125,000)	288,592,994	(0.39)	9,291	(121)

CITY OF CHARLOTTE
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
JUNE 30, 2025
(UNAUDITED)

Governmental Unit	Debt Outstanding	Estimated Percent Applicable	Direct and Estimated Overlapping Debt
Eaton County	$ 18,862,139	5.89	$ 1,110,980
Eaton Regional Education Service Agency	3,018,081	8.41	253,821
Charlotte Public Schools	93,153,012	38.39	35,761,441
Total overlapping debt	115,033,232		37,126,242
Direct City debt	1,125,000	100.00	1,125,000
Total direct and overlapping debt	$ 116,158,232		$ 38,251,242

Note: This table reports overlapping debt on a net basis.

Note: Based on the most current audits available for each jurisdiction.

TABLE 12

CITY OF CHARLOTTE
LEGAL DEBT MARGIN
JUNE 30, 2025
(UNAUDITED)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Calculation of debt limit										
Assessed value	$ 225,400,838	$ 226,566,805	$ 234,751,772	$ 238,670,578	$ 251,792,523	$ 269,202,283	$ 283,021,572	$ 328,748,911	$ 369,277,425	$ 371,113,537
10% of assessed value	22,540,084	22,656,681	23,475,177	23,867,058	25,179,252	26,920,228	28,302,157	32,874,891	36,927,743	37,111,354
Calculation of debt subject to limit										
Total debt	6,395,976	5,738,672	5,133,237	4,527,188	3,905,525	3,268,228	2,631,413	1,979,163	1,301,465	1,125,000
Less debt not subject to limit										
Revenue bonds	3,650,000	3,225,000	2,795,000	2,355,000	1,905,000	1,445,000	975,000	495,000	-	-
Net debt subject to limit	2,745,976	2,513,672	2,338,237	2,172,188	2,000,525	1,823,228	1,656,413	1,484,163	1,301,465	1,125,000
Legal debt margin	19,794,108	20,143,009	21,136,940	21,694,870	23,178,727	25,097,000	26,645,744	31,390,728	35,626,278	35,986,354
Net debt subject to limit as a percentage of debt limit	13.87%	12.48%	11.06%	10.01%	8.63%	7.26%	6.22%	4.73%	3.65%	3.13%

TABLE 13

CITY OF CHARLOTTE
PLEDGED-REVENUE COVERAGE
LAST TEN YEARS
(UNAUDITED)

	Water and Sewer Revenue Bonds						
				Debt Service			
Fiscal Year	Gross Revenues	Applicable Expenses	Net Revenues	Principal	Interest	Total	Coverage
2016	$ 3,647,908	$ 2,291,681	$ 1,356,227	$ 400,000	$ 132,528	$ 532,528	$ 255
2017	3,753,039	2,527,059	1,225,980	425,000	87,450	512,450	239.24
2018	3,700,087	2,594,020	1,106,067	430,000	78,950	508,950	217.32
2019	3,881,921	2,784,765	1,097,156	440,000	70,350	510,350	214.98
2020	3,909,274	2,721,632	1,187,642	450,000	61,550	511,550	232.17
2021	4,623,575	3,153,766	1,469,809	460,000	52,552	512,552	286.76
2022	4,765,368	2,997,637	1,767,731	470,000	66,641	536,641	329.41
2023	5,063,143	3,721,554	1,341,589	480,000	29,250	509,250	263.44
2024	5,495,366	3,764,611	1,730,755	495,000	20,850	515,850	335.52

Revenue bonds were paid in during fiscal year 2024

TABLE 14

CITY OF CHARLOTTE
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN YEARS
(UNAUDITED)

Fiscal Year	Population	Per Capita Personal Income	Unemployment Rate**
2016	9,097	39,803	4.3
2017	9,088	40,784	4.8
2018	9,088	42,693	3.7
2019	9,088	43,365	3.6
2020	9,299	47,460	11.2
2021	9,299	50,326	13.1
2022	9,299	n/a	4.5
2023	9,299	n/a	4.4
2024	9,299	n/a	5.1
2025	9,291	n/a	4.5

n/a = Information not available

* Number represents all of Eaton County
** Represents Lansing Area

CITY OF CHARLOTTE
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)

		2016		2024*	
	Employer	Number of Employees	Percentage of Total	Number of Employees	Percentage of Total
1	Shyft Group (formerly Spartan Motors)	708	24.09	2,312	52.69
2	Sparrow Health Systems (formerly HGB)	452	15.38	442	10.07
3	County of Eaton	342	11.64	354	8.07
4	Charlotte Public Schools	387	13.17	338	7.70
5	Meijer, Inc.	260	8.85	225	5.13
6	Eaton Regional Education Service Agency	254	8.64	223	5.08
7	Wal-Mart Stores, Inc.	153	5.21	192	4.38
8	Linn Products, Inc.	231	7.86	160	3.65
9	Peckham Vocational Industries	152	5.17	142	3.24

Source: Treasurer, City of Charlotte
*2025 information not available

TABLE 16

CITY OF CHARLOTTE
FULL-TIME EQUIVALENT GOVERNMENT EMPLOYEES
LAST TEN YEARS
(UNAUDITED)

Function/Program	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General government										
City manager	1	1	1	1	1	1	1	1	1	1
Clerk	2	2	2	2	2	2	2	2	2	2
Assessor	1	1	1	1	1	1	1	1	1	1
Finance and treasury	3	3	3	1	1	3	3	3	2	3
Public Safety										
Police	15	15	15	15	15	16	17	15	16	16
Fire - Full-time	6	6	6	6	6	6	6	6	8	10
Fire - Volunteer	28	28	28	26	26	19	22	22	24	19
Public Works										
DPW	11	11	10	12	12	11	11	12	14	11
Water and Sewer	7	7	8	9	9	9	9	8	8	12
Community and Economic Development	1	1	1	1	1	2	2	2	1	1
Total	75	75	75	74	74	70	74	72	77	76

TABLE 17

CITY OF CHARLOTTE
OPERATING INDICATORS
LAST TEN YEARS
(UNAUDITED)

Function/Program	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025*
Election data										
Registered voters	6,171	6,332	6,335	6,397	6,570	6,882	6,870	6,971	7,174	
Voters (at polls or absentee)	1,435	3,904	3,507	1,695	1,965	1,124	1,989	3,691	1,406	
Percent voting	23.25%	61.66%	55.36%	26.50%	29.91%	16.33%	28.95%	52.95%	19.60%	
Police										
Physical arrests	479	511	387	344	313	160	286	477	285	
Traffic violations	822	786	603	508	407	270	460	800	1042	
Crimes reported	2,319	2,566	2,663	2,476	2,403	2,510	2,430	3,460	1701	
Fire										
Fire runs	343	380	418	405	435	347	399	427	580	
Emergency medical runs	257	233	396	421	341	401	657	357	278	
Inspections	127	135	204	327	182	-	20	34	50	
Public Works - Miles of street resurfaced	0.55	0.99	0.07	0.92	0.19	1.01	0.26	-	-	
Water										
Number of customers billed	3,799	3,844	3,906	3,388	3,399	3,431	3,455	3,383	4,335	3,466
Total daily consumption	838,750	861,605	868,600	864,192	850,364	921,547	907,723	890,764	830,833	
Average consumption per year	221	224	222	255	250	269	263	244	199	
Sewer - Average daily sewage treatment	769,417	791,715	876,995	893,340	883,937	828,658	861,008	855,334	799,000	

TABLE 18

CITY OF CHARLOTTE
CAPITAL ASSET INFORMATION
LAST TEN YEARS
(UNAUDITED)

Function/Program	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025*
Election data										
Registered voters	6,171	6,332	6,335	6,397	6,570	6,882	6,870	6,971	7,174	
Voters (at polls or absentee)	1,435	3,904	3,507	1,695	1,965	1,124	1,989	3,691	1,406	
Percent voting	23.25%	61.66%	55.36%	26.50%	29.91%	16.33%	28.95%	52.95%	19.60%	
Police										
Physical arrests	479	511	387	344	313	160	286	477	285	
Traffic violations	822	786	603	508	407	270	460	800	1042	
Crimes reported	2,319	2,566	2,663	2,476	2,403	2,510	2,430	3,460	1701	
Fire										
Fire runs	343	380	418	405	435	347	399	427	580	
Emergency medical runs	257	233	396	421	341	401	657	357	278	
Inspections	127	135	204	327	182	-	20	34	50	
Public Works - Miles of street resurfaced	0.55	0.99	0.07	0.92	0.19	1.01	0.26	-	-	
Water										
Number of customers billed	3,799	3,844	3,906	3,388	3,399	3,431	3,455	3,383	4,335	3,466
Total daily consumption	838,750	861,605	868,600	864,192	850,364	921,547	907,723	890,764	830,833	
Average consumption per year	221	224	222	255	250	269	263	244	199	
Sewer - Average daily sewage treatment	769,417	791,715	876,995	893,340	883,937	828,658	861,008	855,334	799,000	

*2025 information not available

CITY OF CHARLOTTE, MICHIGAN

SUPPLEMENTARY INFORMATION TO FINANCIAL STATEMENTS (Federal Awards)

YEAR ENDED JUNE 30, 2025

Maner Costerisan

TABLE OF CONTENTS

Page

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE 1-3

SUPPLEMENTARY INFORMATION

Schedule of Expenditures of Federal Awards 4

Notes to Schedule of Expenditures of Federal Awards 5

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* 6-7

SCHEDULE OF FINDINGS AND QUESTIONED COSTS 8-10

CORRECTIVE ACTION PLAN 11-13

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS 14

Maner Costerisan

2425 E. Grand River Ave.,
Suite 1, Lansing, MI 48912
517.323.7500
517.323.6346

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Honorable Mayor and
Members of the City Council
City of Charlotte, Michigan

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Charlotte's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2025. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City of Charlotte complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City of Charlotte and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City of Charlotte's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City of Charlotte's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City of Charlotte's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City of Charlotte's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City of Charlotte's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of the City of Charlotte's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City of Charlotte's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Charlotte, Michigan, as of and for the year ended June 30, 2025 and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated December 18, 2025, which contained unmodified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards as required by Title 2 U.S. *Code of Federal Regulations* Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Maner Costerisan PC

December 18, 2025

CITY OF CHARLOTTE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2025

Federal Grantor/Pass-Through Grantor/Program Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Total Federal Expenditures
U.S. DEPARTMENT OF JUSTICE			
Direct program			
Public Safety Partnership and Community Policing Grant	16.710	N/A	$ 719,866
Passed through Michigan Department of State Police			
Edward Byrne Memorial Justice Assistance Grant	16.738	15PBJA-22-GG-00642-MUMU	2,507
TOTAL U.S. DEPARTMENT OF JUSTICE			722,373
U.S. DEPARTMENT OF TRANSPORTATION			
Passed through Michigan Department of Transportation			
Airport Improvement Program	20.106	B-26-0018-2824	45,000
U.S. DEPARTMENT OF HOMELAND SECURITY			
Direct program			
Staffing for Adequate Fire and Emergency Response (SAFER) Grant	97.083	N/A	306,079
TOTAL EXPENDITURES OF FEDERAL AWARDS			$ 1,073,452

See accompanying notes to the schedule of expenditures of federal awards.

CITY OF CHARLOTTE
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTE 1 - BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the City of Charlotte, Michigan. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the basic financial statements, which are reconciled in Note 4.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts (if any) shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available. The City of Charlotte has elected to not use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance for awards executed on or before September 30, 2024, and also has elected not to use the 15-percent de minimis indirect cost rate allowed Uniform Guidance for awards executed on or after October 1, 2024.

NOTE 3 - SUBRECIPIENTS

No federal awards were passed through by the City to any subrecipients during the year.

NOTE 4 - RECONCILIATION TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

The following reconciles the intergovernmental revenues reported in the June 30, 2025, basic financial statements to the expenditures of the City administered federal programs reported on the Schedule of Expenditures of Federal Awards:

	Inter-governmental Revenue	Adjustment: State/Local Revenue	Federal Award Expenditures
PRIMARY GOVERNMENT			
GENERAL FUND	$ 2,257,977	$ 1,535,604	$ 722,373
SPECIAL REVENUE FUNDS	2,400,513	2,049,434	351,079
DEBT SERVICE FUNDS	9,171	9,171	-
ENTERPRISE FUNDS	30,926	30,926	-
	$ 4,698,587	$ 3,625,135	$ 1,073,452

Maner Costerisan

2425 E. Grand River Ave.,
Suite 1, Lansing, MI 48912
517.323.7500
517.323.6346

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*

Honorable Mayor and
Members of the City Council
City of Charlotte, Michigan

We have audited, in accordance with the 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, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Charlotte, Michigan (the City) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated December 18, 2025.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2025-001 ang 2025-002 that we consider to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* as described in the accompanying schedule of findings and questioned costs as item 2025-003.

City's Responses to the Findings

The City's responses to the findings identified in our audit are described in the accompanying corrective action plan. The City's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Maner Costerisan PC

December 18, 2025

CITY OF CHARLOTTE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2025

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued based on financial statements prepared in accordance with generally accepted accounting principles:	*Unmodified*			
Internal control over financial reporting:				
➢ Material weakness(es) identified?	X	Yes		No
➢ Significant deficiency(ies) identified that are not considered to be material weakness(es)?		Yes	X	None reported
Noncompliance material to financial statements noted?	X	Yes		No

Federal Awards

Internal control over major federal programs:				
➢ Material weakness(es) identified?		Yes	X	No
➢ Significant deficiency(ies) identified that are not considered to be material weakness(es)?		Yes	X	None reported
Type of auditor's report issued on compliance for major programs:	*Unmodified*			
Any audit findings that are required to be reported in accordance with Title 2 CFR Section 200.516(a)?		Yes	X	No

Identification of major programs:

Assistance Listing Number(s)	Name of Federal Program or Cluster
16.710	Public Safety Partnership and Community Policing Grant

Dollar threshold used to distinguish between Type A and Type B programs:	$ 750,000			
Auditee qualified as low-risk auditee?		Yes	X	No

CITY OF CHARLOTTE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2025

Section II - Financial Statement Findings

2025-001 MATERIAL JOURNAL ENTRIES PROPOSED BY AUDITORS

Condition: Material journal entries for the proper recognition of accounts receivable, amounts due from other governmental units, capital assets, prepaid expenditures, unearned revenue, beginning net position, accounts payable, bonds payable, accrued liabilities, net pension liability, net OPEB liability, and related deferred outflows and inflows of resources. These misstatements were not detected by the City's internal control over financial reporting. These entries were brought to the attention of management and were subsequently recorded in the City's general ledger.

Criteria: Auditing standards emphasize that management is responsible for establishing, maintaining, and monitoring internal controls, and for the fair presentation in the financial statements of financial position, results of operations, and cash flows (where applicable), including the notes to the financial statements, in conformity with U.S. generally accepted accounting principles.

Cause: Management did not properly identify the misstatements and record the necessary adjustments.

Effect: The City's financial reports contained material misstatements that were not otherwise identified by management.

Recommendation: We recommend that the City take steps to ensure that material journal entries are not necessary at the time future audit analysis is performed.

View of Responsible Officials: Management agrees with the finding. The City will ensure that accounts are reconciled and adjusted prior to audit fieldwork in the future.

2025-002 BANK RECONCILIATIONS

Condition: During our review of the City's internal controls, we noted that bank reconciliations were not being completed and reviewed in a timely manner. At the time of our year end fieldwork in October 2025 bank reconciliations had only been performed through December 2024.

Criteria: The reconciliation process is an important part of the City's internal control and accounting procedures. The purpose of reconciliations is to ensure that general ledger account balances are supported by underlying transaction detail or third-party information. They also provide an important internal control, in that any differences identified between the underlying detail and an account balance through the reconciliation process may be indicative of an erroneous entry having been posted or inappropriate activity within the account.

Cause: Management did not perform bank reconciliations for all bank accounts maintained by the City in a timely fashion.

Effect: Without timely reconciliations and review procedures, there is an increased risk of misstatement of assets or errors that might go undetected. The completion of bank reconciliations subsequent to audit fieldwork contributed to a delay in the issuance of the audited financial statements.

Section II - Financial Statement Findings (continued)

2025-002 BANK RECONCILIATIONS (continued)

Recommendation: All bank reconciliations should be completed in a timely manner (monthly) and be reviewed and agreed to physical supporting documentation by the appropriate level of management within the City.

View of Responsible Officials: Management agrees with the finding. The City will ensure that reconciliations are performed in a more timely manner.

2025-003 BUDGETARY COMPLIANCE

Condition: Expenditures exceeded the amounts appropriated for the year for certain activities of the General Fund, two major special revenue funds, and one nonmajor special revenue fund. Also, the City's amended budget for the Fire Fund projected a deficit ending fund balance. A similar finding was noted and reported in our audit comments last year.

Criteria: The Uniform Budgeting and Accounting Act requires the City to amend the original adopted budget "as soon as it becomes apparent that a deviation from the original general appropriations act is necessary and the amount of the deviation can be determined". The Act also states that an "administrative officer of the local unit shall not incur expenditures against an appropriation account in excess of the amount appropriated by the legislative body". Finally, the Act prohibits the City from budgeting for a fund deficit.

Cause: The City did not sufficiently amend the budget when it became apparent expenditures were going to exceed the amounts appropriated. The City also did not amend the Fire Fund's revenue budget to offset the additional amended expenditures.

Effect: The City has not maintained adequate control over budgetary compliance in accordance with State law.

Recommendation: We recommend the City continue to monitor expenditures against adopted budgets and make appropriate budget adjustments as needed. We also recommend that the City refrain from budgeting for a fund deficit.

View of Responsible Officials: Management agrees with the finding. The quarterly amendment process did not account for the State pension grant awarded in the fall of 2023. The City will ensure future grants are appropriately budgeted.

Section III - Federal Award Findings

None noted.

Finding 2025-001 – Material Journal Entries

Condition: Material audit adjustments were required for multiple significant accounting areas that were not identified through the City's internal control processes prior to audit.

Corrective Action

The City will strengthen its financial reporting controls to ensure materially accurate year-end balances and reduce reliance on auditor-proposed entries. Corrective steps include:

1. Year-End Closing Procedures
    - Develop and implement a formal written Year-End Closing Checklist, including timelines and assigned responsibilities.
    - Require completion and documentation of all major account reconciliations prior to the start of audit fieldwork.
2. Financial Reconciliations and Reviews
    - Perform quarterly reconciliations of key balance sheet accounts, including receivables, payables, accrued liabilities, capital assets, and deferred inflows/outflows.
    - Require supervisory review and sign-off on all completed reconciliations.
3. Grant and Special Revenue Controls
    - Implement a formal grant accounting and budgeting policy to ensure revenues, expenditures, and liabilities are recorded properly and timely.
4. Professional Support and Development
    - The City has engaged an external municipal accounting advisory firm to provide mentorship, technical guidance, and best practice development in Michigan governmental accounting and financial reporting.
    - Finance staff will receive ongoing training to strengthen technical competence and internal control oversight.

Responsible Party
Finance Director

Anticipated Completion Date
June 30, 2026

CHRISTINA HORTON
Finance Director/Treasurer
City of Charlotte
111 E. Lawrence Ave.
Charlotte, MI 48813

Finding 2025-002 – Bank Reconciliations

Condition: Bank reconciliations were not completed and reviewed timely for all City bank accounts.

Corrective Action

The City will ensure timely completion, documentation, and review of all bank account reconciliations. Corrective steps include:

1. Monthly Reconciliation Requirement
    - All bank accounts will be reconciled within 30 days of month-end.
    - Supporting documentation will be attached and reconciling items resolved timely.
2. Formal Review and Approval
    - Reconciliations will be independently reviewed by the Finance Director or designee.
    - Review will be documented through signature and date.
3. Monitoring and Accountability
    - A monthly reconciliation log will be maintained to track completion status.
    - Delays or unresolved variances will be escalated to Administration.
4. Professional Support and Development
    - The City has contracted with a municipal accounting advisory firm to assist in establishing sustainable reconciliation procedures, implementing best practices, and providing mentorship to strengthen capacity and consistency.
    - Cross-training will be implemented to ensure continuity.

Responsible Party
Finance Director

Anticipated Completion Date
June 30, 2026

CHRISTINA HORTON
Finance Director/Treasurer
City of Charlotte
111 E. Lawrence Ave.
Charlotte, MI 48813

Finding 2025-003 – Budgetary Compliance

Condition: Certain City funds incurred expenditures in excess of appropriations and one fund was amended to reflect a deficit ending fund balance.

Corrective Action

The City will strengthen monitoring and compliance with the Uniform Budgeting and Accounting Act. Corrective steps include:

1. Budget Monitoring and Amendment Process
    - Implement a formal quarterly budget review process comparing actual expenditures to appropriations.
    - Require departments to notify Finance when expenditures are projected to exceed appropriations.
2. Grant Budget Controls
    - Implement a formal grant budgeting policy requiring timely recognition and appropriation of grant revenues and expenditures at the point of award and throughout the grant lifecycle.
3. Elimination of Budget Deficits
    - Finance will verify that no City fund is presented with a deficit ending fund balance at budget adoption.
4. Reporting and Oversight
    - Provide quarterly financial reports to Administration and City Council summarizing budget compliance and recommended amendments.
5. Professional Support and Development
    - The City has engaged a municipal accounting advisory firm to mentor Finance leadership and collaborate on developing best practices in Michigan budgetary compliance, monitoring processes, and council communication procedures.

Responsible Party
Finance Director

Anticipated Completion Date
June 30, 2026

CHRISTINA HORTON
Finance Director/Treasurer
City of Charlotte
111 E. Lawrence Ave.
Charlotte, MI 48813

CITY OF CHARLOTTE
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2025

FINDINGS/NONCOMPLIANCE

Control Deficiencies Related to Internal Controls Over the Basic Financial Statements.

No prior audit findings noted.

Findings Related to Compliance with Requirements Applicable to the Basic Financial Statements.

2024-001 UNFAVORABLE BUDGET VARIANCES

Condition: We noted that expenditures had exceeded the amounts appropriated for certain activities of the General Fund and one major special revenue fund.

Resolution: A similar issue was noted during the current year audit and repeated in the Schedule of Findings and Questioned Costs as 2025-003.

Findings Related to Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with the Uniform Guidance.

2024-002 WRITTEN POLICIES REQUIRED BY UNIFORM GRANT GUIDANCE

Condition: The City has not adopted federal policies as required by the Uniform Guidance (2 CFR Part 200). Key policies, including, but not limited to, procurement, subrecipient monitoring, and financial management, have not been implemented in accordance with federal standards.

Resolution: This issue has been resolved in the current year.

THE CITY OF CHARLOTTE MICHIGAN

To: Honorable Mayor Lewis and City Council Members
From: Robert Hillard, City Manager
Date: January 9, 2026
RE: City Manager's Report

The following is the latest City Manager's Report. Thank you and please give me a call at (517) 543-8850 or rhillard@charlottemi.org, if you have any questions.

"The Framework" 2025 - 2026 Goals and Objectives Update

This is "The Framework" 2025 - 2026 Goals and Objectives Update. This document is the main planning tool to organize projects and programs identified for completion by the City Council. The goals are to improve efforts in City Services, Community Development, and Neighborhood Enrichment. The objectives are listed following the goals. I have shared the goals and objectives and assigned them to the relevant Department Head. They will submit updates on the progress of the objectives as part of their monthly department reports. Per the City Manager's evaluation criteria, items will not be considered accomplished unless agreed upon by the City Council.

City Services
Street Light Review
Building Construction Inspection Program Review
Capital Improvement Plan Review
Municipal Building Improvements Review
Energy Review
Recycling Center Review
Defined Benefit Program Review
City Council Chamber Sound and Video Review

Community Development
Downtown Street Improvement Review
Combs Industrial Park Improvements Review
Airport Hangar Review
Economic Development Plan Review

Neighborhood Enrichment
Street Plan Review
Housing Strategy Review
Bennett Park Improvements Review

City of Charlotte
Department of Public Works

Monthly Summary – December 2025

Submitted by: Stephanie Whitney, Director of Public Works

Overview

December was a winter-focused and productive month for the Department of Public Works. Crews responded to snow and ice events, maintained essential services, and continued advancing infrastructure projects and long-term planning efforts. Despite holiday schedules and weather-related challenges, staff across all divisions remained flexible and committed to serving the community while preparing systems and facilities for the year ahead.

Highlights by Division

Public Works (DPW)

- Salted and scraped streets in response to winter weather conditions.
- Opened and cleaned bathrooms at Lincoln Park as weather permitted.
- Kept sidewalks at all city parks clear of snow and ice.
- Removed and hauled snow from the downtown area twice during the month.
- Continued cold patching potholes when weather and road conditions allowed.

Water Department

- Completed monthly maintenance, including chlorinator cleaning and chemical pump maintenance.
- Replaced the chlorine pump at Well #7.
- Peerless Midwest pulled and cleaned Well #6; pump repairs are pending completion.
    - Reinstallation scheduled for the first or second week of January.
- Spill containment scales remain installed and operational at all well sites in compliance with EGLE requirements.
- Submitted the Monthly Water Report to EGLE.
- Collected and analyzed routine water quality and bacteriological samples.
- Continued delivering notices and conducting in-house plumbing inspections.
- Continued development of a valve-turning program with DPW to support proactive distribution system maintenance.
- Read water meters and completed meter-related work orders as necessary.
- H2O Compliance continued administering the City's Cross Connection / Backflow Prevention Program.
- Kevin assumed responsibility for Unit #10 on December 22.

- Anissa continued assisting with water service line notifications, with increased call volume noted.
- Began replacing water meters in preparation for the upcoming system upgrade.

Wastewater Department (WWTP)

- Continued work on the Capital Improvement Plan and FY 2026/2027 budget.
- Submitted the Monthly WWTP Report to EGLE.
- Lansing Lift Station:
    - Pump #2 was pulled to investigate a seal failure.
    - Pump remains under warranty; awaiting rebuild status and repair timeline.
- Continued annual cleaning and preventative maintenance of process equipment.
- Windemuller Electric completed annual infrared (IR) scans; follow-up visit being scheduled to further evaluate identified issues.
- Trojan Technologies scheduled to begin UV system upgrades on February 17, 2026; upgrade kit has been received at the WWTP.
- Continued investigation into elevated ammonia levels, including targeted system sampling to determine the source.
- Moore & Bruggink continued engineering and design work for the tertiary filter rehabilitation project.
- Completed monthly maintenance inspections:
    - Fire extinguishers
    - Stormwater systems
    - DO probes
    - Eye wash stations
    - Safety showers
- Biotech began hauling sludge on December 2, 2025; goal is to complete hauling by January 1, 2026, if possible.
- Participated in the MWEA Section 7 Christmas Luncheon, which was a successful event.
- Continued awaiting Reynolds Lift Station pump replacement.
- Kevin Maxson transitioned out of Wastewater and into the Water Department.
- Placed Primary & Secondary Clarifier #3 back into service.
- 2025 Stormwater Annual Report will be submitted shortly.
- Addressed #2 Trickling Filter Pump VFD issues; working with Edwards Industrial and Yaskawa to repair or replace the unit.

Fleet & Facilities

Fleet

- Completed scheduled maintenance on vehicles and equipment.
- Performed minor repairs as needed.
- Continued entering fleet and equipment data into the **asset management program**.
- Replaced an older, damaged **snow box** with a new unit for winter operations.

DPW Facility

- New salt barn walls and footings were completed; backfilled and compaction testing passed.
- Continued additional site backfill in preparation for the next phase of construction.
- Loaded and removed three loads of scrap metal from the DPW yard.

Armory

- Continuing improvements for the Water Department to move into the Armory.

Recycling Center (CARA)

- Continued regular recycling operations while maintaining a safe, organized, and welcoming site during the busy holiday season.
- Remained flexible and efficient despite being closed three times due to severe weather and additional holiday closures.
- Coordinated with DPW on site and equipment maintenance**.**
- Continued coordination with DPW on the carport infrastructure project**.**
- Maintained consistent baling operations to improve material handling efficiency.
- Assisted community members with recycling guidance during peak holiday traffic.
- Continued accepting string lights for the annual holiday collection event.
- Announced the CARA Fundraiser Dinner**,** scheduled for January 30 at the Eaton Area Senior Center**.**
- Collected $425.00 in trash fees.
- Received $356.80 in community donations.

Grant Funding Efforts – November 2025

Grant Program	Project / Purpose	Amount Requested	Match	Status
FY26 Community Project Funding	Combs Industrial Park – New Road Construction	$4,300,210.75	$1,000,000	Denied Awarded
Rural & Tribal Assistance Pilot Program	Downtown Corridor Design (Harris → Krebs)	$280,000	—	Awaiting award
FY26 BUILD (formerly RAISE)	Full Reconstruction of Downtown (Harris → Krebs)	$5,500,000 (anticipated)	10% local match	TAC awarded; grant writing in progress. Due 2/24/2026

Grant Program	Project / Purpose	Amount Requested	Match	Status
RECOVER-MI Challenge	Water & Wastewater Infrastructure Resilience Improvements (DR-4757)	$10,726,554	$1,000,000	Awaiting TAC support
Airport Terminal Program	New Airport Terminal Building	$1,100,000	5% local match	TAC awarded; grant writing in progress. Due 1/15/2026
EGLE Recycling Center Infrastructure Grant	CARA Infrastructure Improvements	TBD	TBD	Application to be developed. Due 1/28/2026

The Framework: FY 2025/26 Project Update

City Services

- **Salt Barn Review** – Walls and footings completed; backfilled and compaction testing passed. Additional site backfill underway.
- **Water/Sewer Meter System Improvement Review** – Contract remains under review by the City Attorney; meter replacement has begun in preparation for system upgrades.
- **Tirrell Pump Replacement Review** – Contract previously awarded; coordination ongoing.
- **Downtown Sidewalk Snow Removal Review** – Contract awarded to Eric Rodgers**;** winter operations underway.
- **Recycling Center Review** – Deferred at this time per direction from the City Manager.
- **Public Works Roof Repair Review** – Project complete.
- **Brush/Leaf Removal Review** – Seasonal transition from leaf operations to winter maintenance complete.
- **Truck Purchase Review** – Fleet assets received earlier in the fiscal year; continued asset management tracking.
- **UV System Upgrade Review** – UV upgrades scheduled to begin February 17, 2026; upgrade kit onsite.
- **Tertiary Filter Replacement Review** – Engineering and design work ongoing with Moore & Bruggink**.**

Community Development

- Combs Industrial Improvements Review – FY26 Community Project Funding not awarded; City working to reallocate funding from Eaton Rapids.

- Downtown Corridor Improvements Review –
    - Design grant submitted through the Rural & Tribal Assistance Pilot Program; awaiting award.
    - FY26 BUILD (formerly RAISE) grant: TAC awarded; grant writing underway (due February 24, 2026).

- Airport Terminal Review – Grant application underway for a new airport terminal building (due January 15, 2026).

Neighborhood Enrichment

- **Oak Park Improvements Review** – Concrete work scheduled to begin April 1**.**
- **Bennett Park Improvements Review** – Surveying completed for green space area; drawings received. Trail areas still require surveying.
- **Mac Gobel Bleacher Project Review** – All bleachers removed; site cleared**.**
- **Horatio Avenue Improvements Review** – Complete**.**
- **Lincoln Street Improvements Review** – Complete**.**
- **Seminary Street Improvements Review –** Complete**.**
- **Mikesell Street Improvements Review** – Complete**.**

Conclusion

December reflected continued dedication across all Public Works divisions as staff balanced winter response, routine operations, and long-term infrastructure planning. Crews remained responsive during weather events, advanced key capital projects, and continued positioning the city for future funding opportunities as the new year approaches.

THE CITY OF CHARLOTTE MICHIGAN

Memo

To: Honorable Mayor Pro Tem Rodriguez; City Council
From: Mikayla Middaugh
Date: January 07, 2026
Re: Claims and Expenditures for Council approval on January 12, 2026

Background
Section 7.7(B) of the City Charter requires Council approval for the expenditure of city funds.

Recommendation
A report of claims is provided to council for review on the Wednesday preceding a council meeting at which the claims are approved. Questions about these claims should be directed to the Finance Director/Treasurer and answers resolved by the Friday preceding said council meeting. Claims and expenditures are budgeted items and/or larger purchases pre-approved by Council. While review is recommended, approval should not be hindered.

Answers to Council inquiries, if any, are included in the meeting packet.

Financial Impacts

HRA Insurance claims week of December 22, 2025	$982.44
HRA Insurance claims week of December 29, 2025	$595.16
HRA Insurance claims week of January 05, 2026	$2,228.28
Payroll paid December 26, 2025	$133,593.56
Payroll paid January 09, 2026	$177,299.95
Invoiced claims as of January 07, 2026	$261,287.70
Total	**$575,987.09**

Suggested Motion
Motion to approve Claims and Expenditures in the amount of **$575,987.09**

INVOICE APPROVAL (BY INVOICE) FOR CHARLOTTE CITY

INVOICE ENTRY DATES 12/22/2025 - 01/07/2026
POSTED AND UNPOSTED OPEN
BANK ACCOUNTS: POOL - INDEPENDENT BANK GENERAL ACT

	Invoice Number	Bank Account	Description	Amount
01691 1ST AYD CORPORATION				
	PSI836736	POOL	CLEANING SUPPLIES	206.51
	PSI836907	POOL	CLEANING SUPPLIES	804.59
Total For: 1ST AYD CORPORATION				1,011.10
01683 ACD.NET				
	81518-302	POOL	JANUARY 2026	699.00
	91177-154	POOL	JANUARY 2026 (WASTE WATER)	565.84
Total For: ACD.NET				1,264.84
01764 AMAZON CAPITAL SERVICES				
	1196-T6LK-C3YM	POOL	ACCOUNT # A264N6SLCWDWHU FLOOR FAN	133.90
	11FY-DLDY-7Q3M	POOL	ACCOUNT # A264N6SLCWDWHU (WWTP) TONER & YEARLY CALEN	103.69
	14WC-7NNV-3RMR	POOL	ACCOUNT # A264N6SLCWDWHU (AMAZON)	89.97
	16GC-RX4H-D6Y7	POOL	ACCOUNT # A264N6SLCWDWHU CARPET CLEANER	169.99
	17XF-RQKX669N	POOL	ACCOUNT # A264N6SLCWDWHU TRASH BAGS	190.00
	199Y-N4LY-7FXH	POOL	ACCOUNT # A264N6SLCWDWHU RADIO FOR DUMP TRUCK	32.33
	19MH-WQH3-7WQ6	POOL	ACCOUNT # A264N6SLCWDWHU (FIRE)	144.18
	1D6N-D6NF-419X	POOL	ACCOUNT # A264N6SLCWDWHU(FIRE) DOOR WEDGE	347.60
	1DG4-HTQJ-7R1C	POOL	ACCOUNT # A264N6SLCWDWHU (FIRE)	83.31
	1GGN-7Q6W-YRDT	POOL	ACCOUNT # A264N6SLCWDWHU(FIRE) POWER SUPPLY MONITOR	9.39
	1HNY-CFXD-9HHP	POOL	ACCOUNT # A264N6SLCWDWHU	84.14
	1L9Q-NKRV-HR4H	POOL	ACCOUNT # A264N6SLCWDWHU(FIRE) AA BATTERIES	26.99
	1LDL-9GY1-97KY	POOL	ACCOUNT # A264N6SLCWDWHU (FIRE)	49.99
	1LGT-L6GT-XXDR	POOL	ACCOUNT # A264N6SLCWDWHU	55.85
	1P4G-YDL9-FF7W	POOL	ACCOUNT # A264N6SLCWDWHU BACK UP ALARMS	74.29
	1P4G-YDL9-HCL1	POOL	ACCOUNT # A264N6SLCWDWHU (FIRE) COUNCIL CHAMBERS REMO	7.99
	1QV4-XMYM-VXQH	POOL	ACCOUNT # A264N6SLCWDWHU (FIRE) NECK TIE VOLUNTEERS	8.99
	1WGN-HFQG-KTYY	POOL	ACCOUNT # A264N6SLCWDWHU (DPW ADMIN) METAL DESK LEGS	39.99
	1WNL-QD39-HCMY	POOL	ACCOUNT # A264N6SLCWDWHU (FIRE)	17.99
	1WQF-DFJM-9C7X	POOL	ACCOUNT # A264N6SLCWDWHU(FIRE) WOMENS NECK TIE	12.39
	1X6G-3XRF-DY6T	POOL	ACCOUNT # A264N6SLCWDWHU CARD HOLDERS	69.90
Total For: AMAZON CAPITAL SERVICES				1,752.87
02036 AMAZON CAPITAL SERVICES				
	11GC-YLQG-137D	POOL	ACCT # A1K517P63NLQUT(POLICE) (LENS WIPES, CUTLERY S	64.63
	13XM-QK96-KCMK	POOL	ACCT # A1K517P63NLQUT(POLICE) PRINTER PAPER, NOTE PA	223.96
	1QW9-TW99YFG6	POOL	ACCT # A1K517P63NLQUT(POLICE) SUN VISOR ORGANIZOR	22.41
	1TN1-WKRQ-6X9T	POOL	ACCT # A1K517P63NLQUT(POLICE) 9ENGRAVED NAME PLATES,	63.53
Total For: AMAZON CAPITAL SERVICES				374.53
02108 ASSESSING SOLUTIONS INC.				
	NOVEMBER 2025	POOL	ASSESSOR CONTRACT 5/25 - 4/26	116.25
Total For: ASSESSING SOLUTIONS INC.				116.25
02207 AT & T MOBILITY				
	287354111767X010520	POOL	NOVEMBER 28 - DEC 27	272.75
Total For: AT & T MOBILITY				272.75
01635 AT&T LONG DISTANCE				
	517543887412	POOL	NOV 14 -DEC 13, 2025	50.29
	517543887712	POOL	11/27/2025 - 12/26/2025	132.21
Total For: AT&T LONG DISTANCE				182.50
01627 AVFUEL CORPORATION				
	023784521	POOL	AVIATION FUEL PURCHASE	34,886.27
Total For: AVFUEL CORPORATION				34,886.27
01600 BECKETT & RAEDER				
	20251294	POOL	DDA DEVELOPMENT PLAN AND TIF PLAN CONTRACT	3,011.71
	20251319	POOL	2023044 CHARLOTTE MASTER PLAN & ZONING ORDINANCE	1,881.01
Total For: BECKETT & RAEDER				4,892.72
02272 BLACKOUT SEALCOAT SUPPLIES LLC				
	000426	POOL	COLD PATCH	550.00
Total For: BLACKOUT SEALCOAT SUPPLIES LLC				550.00

	Invoice Number	Bank Account	Description	Amount
01555 BYRUM ACE HARDWARE				
	497326	POOL	(WWTP) CAULKGUN	25.98
	497408	POOL	(FIRE) PAINT THINNER	44.98
	497699	POOL	PLUMBING FITTINGS	420.79
	497821	POOL	GRINDER AND SAW	457.99
	498153	POOL	(WWTP) THERMOSTAT WELL #7	39.98
	498215	POOL	(POLICE) PAINT & TRAYSET	60.98
	498245	POOL	GRINDING DISCS	69.95
	498304	POOL	ROOF REPAIR	7.99
	498751	POOL	TOOLS FOR THE WATER DEPT	126.95
	498762	POOL	(POLICE) SLIDE 3.5" ROUND CARPET	9.99
	498903	POOL	(FIRE) ADHESIVE	20.28
	499489	POOL	TOOL BOX	84.97
	499924	POOL	GRINDING DISCS	54.95
Total For: BYRUM ACE HARDWARE				1,425.78
01882 CALEDONIA FARMERS ELEVATOR				
	456469	POOL	TIRES	912.84
Total For: CALEDONIA FARMERS ELEVATOR				912.84
01547 CANON FINANCIAL SERVICES, INC				
	42343621	POOL	COPIER PRINTER (WESTSIDE)	240.11
Total For: CANON FINANCIAL SERVICES, INC				240.11
01535 CARROLL, ADAM				
	12.29.2025	POOL	CLOTHING -PROMOTION TO DETECTIVE PER CONTRACT	369.70
Total For: CARROLL, ADAM				369.70
01512 CHARLOTTE LITHOGRAPH				
	131627	POOL	BUISNESS CARDS DETECTIVE CARROLL	31.75
Total For: CHARLOTTE LITHOGRAPH				31.75
02270 CINTAS				
	5310325705	POOL	FIREST AID KIT CHECK AND FILL	13.97
Total For: CINTAS				13.97
01465 COUNTY JOURNAL, THE				
	297178	POOL	SEALED BIDS FOR AIRPORT FARMING ON VACANT LAND	99.50
	297765	POOL	NOTICE OF PUBLIC HEARING ORDINANCE 2025-09	147.50
	297766	POOL	CITY COUNCIL MEMBER VACANCIES	99.50
	298546	POOL	HIRING WASTEWATER PLANT OPERATOR	106.60
Total For: COUNTY JOURNAL, THE				453.10
01397 COUNTY OF EATON				
	2026-00000021	POOL	TR-2024 TAX YEAR	11.20
Total For: COUNTY OF EATON				11.20
01450 CURRAN,KIMBERLY				
	12/10/2025	POOL	DECEMBER BOARD OF REVIEW MEETING	17.50
Total For: CURRAN,KIMBERLY				17.50
01439 D & K TRUCK COMPANY				
	1351784	POOL	AIR DRYER REBUILD KIT	431.89
Total For: D & K TRUCK COMPANY				431.89
01429 DELAU FIRE & SAFETY INC				
	384304	POOL	FIRE EXTINGUISHERS	115.00
Total For: DELAU FIRE & SAFETY INC				115.00
01380 EDWARDS INDUSTRIAL SALES				
	3439542	POOL	ELE RELAYS	187.13
Total For: EDWARDS INDUSTRIAL SALES				187.13
01375 ELHORN ENGINEERING COMPANY				
	309355	POOL	WWTP CHLORINE	1,370.00
Total For: ELHORN ENGINEERING COMPANY				1,370.00
00932 ERIC ROGERS LLC				
	36363	POOL	DOWNTOWN SNOW & ICE REMOVAL	2,480.00
Total For: ERIC ROGERS LLC				2,480.00

	Invoice Number	Bank Account	Description	Amount
01365 ETNA SUPPLY				
	S106649388.001	POOL	DIGESTER CIRCULATING PUMP	2,453.00
	S106655790.001	POOL	METER ECR	1,186.88
Total For: ETNA SUPPLY				3,639.88
01358 FAMILY FARM & HOME				
	002101	POOL	SPRAY PAINT	9.99
Total For: FAMILY FARM & HOME				9.99
01711 FLEET SERVICES INC.				
	4035	POOL	REPAIR TRANSMISSION ON #20	9,265.14
Total For: FLEET SERVICES INC.				9,265.14
01322 GALE BRIGGS, INC.				
	M3687	POOL	PACKING SAND	1,230.00
	M3695	POOL	FILL SAND	687.50
Total For: GALE BRIGGS, INC.				1,917.50
01297 H2O COMPLIANCE SERVICES INC				
	00010553	POOL	CROSS CONNECTION/ BACKFLOW PROGRAM	1,328.40
Total For: H2O COMPLIANCE SERVICES INC				1,328.40
02037 HASSEL FREE FUELS				
	CFSI-12814	POOL	ACCNT #010107 (DPW/WWTP) FUEL	855.61
Total For: HASSEL FREE FUELS				855.61
01438 HASSEL FREE FUELS				
	CFSI-12803	POOL	ACCOUNT # 010109 (FIRE) FUEL	604.17
Total For: HASSEL FREE FUELS				604.17
01970 HOPKINS MECHANICAL SERVICES, LLC				
	25741	POOL	TIMEPIECE PARK FIREPLACE REPAIR	1,169.00
	H25656	POOL	CITY HALL BOILER STARTUP AND FALL MAINT.	2,540.00
	H25709	POOL	CITY HALL BOILER REPAIR	1,726.00
	H25740	POOL	WEST SIDE HVAC WINTER MAINTENANCE	1,672.00
Total For: HOPKINS MECHANICAL SERVICES, LLC				7,107.00
01768 IALEFI				
	47298	POOL	MEMBERSHIP DUES	60.00
Total For: IALEFI				60.00
01242 JACK DOHNEY COMPANIES, INC				
	276924	POOL	TRASH PUMP FOR VACTOR	2,449.12
Total For: JACK DOHNEY COMPANIES, INC				2,449.12
02025 JOHN DEERE FINANCIAL				
	11118537	POOL	FUEL FILTER	29.25
	11122483	POOL	OIL SEAL	12.62
Total For: JOHN DEERE FINANCIAL				41.87
01226 JOHNSON'S PICTURE FRAMING				
	18,976	POOL	PICTURE FRAMES	273.00
Total For: JOHNSON'S PICTURE FRAMING				273.00
01215 KANE HEATING & VENTILATING CO.				
	#95034-1	POOL	REPAIR @ AIRPORT FOR HEATING	1,788.00
Total For: KANE HEATING & VENTILATING CO.				1,788.00
01210 KENDALL, REBECCA				
	12.10.2025	POOL	DECEMBER BOARD OF REVIEW MEETING	17.50
Total For: KENDALL, REBECCA				17.50
01207 KENNEDY INDUSTRIES INC.				
	648324	POOL	TRICKLING FILTER PUMP MAINT	400.00
Total For: KENNEDY INDUSTRIES INC.				400.00
01182 LANSING UNIFORM COMPANY				
	108159-B	POOL	EMERY/TAYLOR SHIRTS	239.80
	109136-A	POOL	UNIFORMS FIRE	679.50
Total For: LANSING UNIFORM COMPANY				919.30

	Invoice Number	Bank Account	Description	Amount
01173 LEA'S AUTO BODY				
	10317	POOL	REPLACE SURGE TANK UNIT#410	186.57
	10318	POOL	REPLACE SURGE TANK UNIT #411	176.59
	10458	POOL	OIL CHANGE 2019 POLICE INTERCEPTOR	74.29
	10494	POOL	OIL CHANGE UNIT #413	93.49
	10496	POOL	OIL CHANGE FOR UNIT #412	93.49
Total For: LEA'S AUTO BODY				624.43
01684 LEXISNEXIS RISK DATA MANAGEMENT LLC				
	1100248781	POOL	DECEMBER 2025	200.00
Total For: LEXISNEXIS RISK DATA MANAGEMENT LLC				200.00
02072 MANER COSTERISAN				
	76739	POOL	BILLING FOR 2025 AUDIT,FINANCIAL STATEMENT PREP., RE	30,325.00
Total For: MANER COSTERISAN				30,325.00
02154 MCKENNA ASSOC. INC.				
	25-003-9	POOL	CHILL GRANT ADMINISTRATION	1,347.50
	25-011-10	POOL	PLANNING ADVISORY SERVICES	1,500.00
Total For: MCKENNA ASSOC. INC.				2,847.50
01922 MICHIGAN STATE FIREMEN'S ASSOCIATIO				
	6613	POOL	TYGER & DALY OFFICER 3 ACCESS	126.00
Total For: MICHIGAN STATE FIREMEN'S ASSOCIATIO				126.00
02146 MICROTECH SERVICES, INC				
	36762	POOL	TRACE AND DOCUMENT 8 NETWORK PORTS	300.00
Total For: MICROTECH SERVICES, INC				300.00
01080 MISS DIG 811				
	20261008	POOL	2026 MEMBERSHIP, MAINTENANCE FOR STAIONS, MAINTENANCE	1,530.11
Total For: MISS DIG 811				1,530.11
01063 MOORE & BRUGGINK INC				
	210204.2-3	POOL	TERTIARY FILTERS-DESIGN PHASE	3,473.10
Total For: MOORE & BRUGGINK INC				3,473.10
02103 MUNIVATE LLC				
	1285	POOL	BS &A TRAINING	2,468.46
Total For: MUNIVATE LLC				2,468.46
02255 NAPA AUTO PARTS				
	288272	POOL	FUEL FILTER	109.28
	288330	POOL	IGNITION SWITCH FOR AIRPORT CAR	61.82
	288423	POOL	RADIATOR HOSE	113.92
	288455	POOL	BRAKE FLUID AND CLEANER	29.30
	288562	POOL	WINDSHIEL WASHER FLUID	26.94
	288601	POOL	BLEND DOOR MOTOR FOR #22	70.11
Total For: NAPA AUTO PARTS				411.37
01021 NORTHERN SAFETY CO., INC.				
	907339086	POOL	GLOVES	414.54
Total For: NORTHERN SAFETY CO., INC.				414.54
01009 O'LEARY PAINT CO				
	8XJT6	POOL	PAINT COUNCIL CHAMBERS	41.79
Total For: O'LEARY PAINT CO				41.79
01007 O'REILLY AUTO PARTS				
	4651-496436	POOL	BRAKE LINE FITTINGS	14.04
Total For: O'REILLY AUTO PARTS				14.04
01006 OSBORN, SANDY				
	12.08.2025	POOL	2 PLANTS & POTS FOR COUNCIL CHAMBERS REMODEL	125.04
Total For: OSBORN, SANDY				125.04
00987 PHILLIPS, ROBERT				
	12.10.2025	POOL	DECEMBER BOARD OF REVIEW	17.50
Total For: PHILLIPS, ROBERT				17.50
00199 POTTER, TOM				
	12.10.2025	POOL	DECEMBER BOARD OF REVIEW MEETING	17.50
Total For: POTTER, TOM				17.50

	Invoice Number	Bank Account	Description	Amount
02093 POWERS, CHRISTYNE				
	12.10.2025	POOL	DECEMBER BOARD OF REVIEW MEETING	17.50
Total For: POWERS, CHRISTYNE				17.50
02212 SCANSOURCE, INC				
	5500019863	POOL	LAND LINES (DECEMBER 2025)	2,044.99
Total For: SCANSOURCE, INC				2,044.99
00872 SHYFT GROUP, INC, THE				
	SVA0042236	POOL	GRAB HANDLE TRUCK 314	255.20
Total For: SHYFT GROUP, INC, THE				255.20
00852 ST. REGIS CULVERT INC.				
	125713	POOL	SCRAPPER BLADES FOR THE PLOWS	2,365.00
Total For: ST. REGIS CULVERT INC.				2,365.00
02186 STATE OF MICHIGAN				
	551-668350	POOL	TOKEN FEES 10/01/2025 - 12/31/2025	231.00
Total For: STATE OF MICHIGAN				231.00
01424 STATE OF MICHIGAN				
	11298350	POOL	STORMWATER ANNUAL PERMIT FEE	277.55
Total For: STATE OF MICHIGAN				277.55
01638 STATE OF MICHIGAN				
	10044998248	POOL	SALES USE WITHOLDINGS	39.39
Total For: STATE OF MICHIGAN				39.39
01108 STATE OF MICHIGAN				
	PROGRAM 212642CON	POOL	PROJECT 22A0533	63,218.07
Total For: STATE OF MICHIGAN				63,218.07
02242 SUPERFLEET MASTERCARD PROGRAM				
	FB749-01.01.2026	POOL	POLICE FUEL	3,141.30
Total For: SUPERFLEET MASTERCARD PROGRAM				3,141.30
02261 THIRD COAST TECH, LLC				
	2620	POOL	COUNCIL CHAMBERS AUDIO/VIDEO UPGRADE	6,964.50
	2621	POOL	COUNCIL CHAMBERS AUDIO/VIDEO UPGRADE	8,998.70
Total For: THIRD COAST TECH, LLC				15,963.20
00820 TRACE ANALYTICAL LABORATORIES, INC				
	5120965	POOL	WATER QUALITY ANALYSIS	156.00
	5121335	POOL	WATER QUALITY ANALYSIS	156.00
	6010040	POOL	WW-LAB ANALYSIS	88.50
Total For: TRACE ANALYTICAL LABORATORIES, INC				400.50
02273 TRI-COUNTY EMERGENCY MEDICAL CONTROL AUTHORITY				
	1179	POOL	EMS RUN FORMS	46.99
Total For: TRI-COUNTY EMERGENCY MEDICAL CONTROL AUTHORITY				46.99
02151 TROJAN TECHNOLOGIES CORP				
	200/50008876	POOL	UV DISINFECTION SYSTEM	37,026.38
Total For: TROJAN TECHNOLOGIES CORP				37,026.38
00810 TRUCK & TRAILER SPECIALTIES				
	DSO018328	POOL	SALTER SPINNER	443.00
Total For: TRUCK & TRAILER SPECIALTIES				443.00
00804 ULINE				
	202065827	POOL	CITY HALL MATS	1,049.88
Total For: ULINE				1,049.88
00871 UM HEALTH -SPARROW OCCUPATIONAL HEA				
	00086270-00	POOL	DOT PHYSICAL (DEWATERS)	95.00
Total For: UM HEALTH -SPARROW OCCUPATIONAL HEA				95.00
00762 UMH SPARROW MEDICAL SUPPLY				
	3670260415	POOL	02 TANKS FIRE	120.00
Total For: UMH SPARROW MEDICAL SUPPLY				120.00
00777 WALDRON FUELS LLC				
	09473	POOL	DIESEL FUEL	743.86
Total For: WALDRON FUELS LLC				743.86

INVOICE APPROVAL (BY INVOICE) FOR CHARLOTTE CITY

INVOICE ENTRY DATES 12/22/2025 - 01/07/2026
POSTED AND UNPOSTED OPEN
BANK ACCOUNTS: POOL - INDEPENDENT BANK GENERAL ACT

	Invoice Number	Bank Account	Description	Amount
02020 WATKINS ROSS				
	98931	POOL	SERVICES RENDERED AUGUST 2025- NOVEMBER 2025- RETIREE	4,000.00
Total For: WATKINS ROSS				4,000.00
00761 WILLIAMS FARM MACHINERY, INC.				
	44962	POOL	CHAIN SAW PARTS	353.72
Total For: WILLIAMS FARM MACHINERY, INC.				353.72
00758 WINDEMULLER				
	247609	POOL	VFD-TROUBLESHOOT	468.81
	247610	POOL	GROOV CELLULAR MODEM PLATFORM/SCADA	2,000.00
Total For: WINDEMULLER				2,468.81
02013 WOW! BUSINESS				
	12/11/2025-01/10/20	POOL	INTERNET GARAGE	59.99
Total For: WOW! BUSINESS				59.99
Report Total:				261,337.99

PAYMENT TYPE TOTALS:

EFT Transfer	50.29
Paper Check	261,287.70

TO: Mayor Fullerton and City Councilmembers

FROM: Robert Hillard, City Manager

Date: January 9, 2026

Re: City Clerk Appointment - Alicia Smith

Background

A vacancy currently exists in the position of City Clerk, which is a critical role for ensuring the effective and efficient management of the City. The City Charter requires the City Council to confirm the appointment of certain City officers, including the City Clerk, as recommended by the City Manager.

After a thorough review of qualifications, experience, and suitability, I am recommending Alicia Smith for the appointment of City Clerk. Alicia possesses the necessary skills and expertise to fulfill the responsibilities of the position effectively. She has relative experiences including working for Eaton Regional Education Service Agency as an Administrative Assistant. In this position she provided high-level administrative support for departments within the agency, processing financial information, maintaining confidential records, compiling meeting agendas and minutes, and supporting cross functional teams.

Financial Impact

The new City Clerk would make $80,000 annually with three weeks vacation and regular benefits as provided to City employees.

Recommendation

Authorize the resolution confirming the appointment of Alicia Smith as the next City Clerk for the City of Charlotte, Michigan.

CITY OF CHARLOTTE
RESOLUTION NO. 2026-04
A RESOLUTION TO CONFIRM THE APPOINTMENT OF ALICIA SMITH AS CITY CLERK

WHEREAS, a vacancy currently exists in the position of City Clerk, a critical role for ensuring the effective and efficient public works management of the City of Charlotte; and

WHEREAS, under the City Charter, the City Clerk is an appointed officer of the City, and the duties and responsibilities of this position are consolidated under the title of City Clerk as outlined in the City Ordinance; and

WHEREAS, City Manager Hillard has thoroughly reviewed the qualifications, experience, and suitability of Alicia Smith for the role of City Clerk, and has determined that she possesses the necessary skills and expertise to fulfill the responsibilities of the position effectively; and

WHEREAS, the City Charter requires the City Council to confirm the appointment of city officers, including the City Clerk, as made by the City Manager;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Charlotte that the appointment of Alicia Smith as City Clerk by City Manager Hillard is hereby confirmed

The foregoing resolution was presented by _____ and supported by ____ for approval. Carried; Yea __; Nay __; Absent __

CERTIFICATION

I, Mikayla Middaugh, Deputy City Clerk for the City of Charlotte, County of Eaton, State of Michigan, do hereby certify that the foregoing is a true and complete copy of a resolution duly adopted by the City Council of the City of Charlotte during its regular meeting held on _____, and that said meeting was conducted and public notice of said meeting was given pursuant to and in full compliance with the Open Meetings Act, being 1976 P.A. 267, and that the minutes of said meeting were kept and will be or have been made available as required by said Act.

_____
Mikayla Middaugh, Deputy City Clerk

CITY OF CHARLOTTE
GUIDELINES FOR POVERTY EXEMPTIONS – 2026
RESOLUTION _____

WHEREAS, the federal poverty guidelines for income, as published in the prior calendar year in the Federal Register by the United States Department of Health and Human Services, that federal departments and agencies use certain guidelines, and

WHEREAS, the City of Charlotte has adopted the following for the basis of granting "Poverty Exemptions" to be adjusted annually.

BE IT FURTHER RESOLVED, to be eligible for a poverty exemption in the City of Charlotte for 2025 your gross income may NOT exceed these guidelines. If your gross income exceeds the levels listed below you do not qualify for a poverty exemption:

PROPERTY TAXES – CITY OF CHARLOTTE – Poverty Exemption Policy – 2026

I. PURPOSE:

The purpose of this policy is to establish the process for receiving applications for annual property tax poverty exemptions in accordance with MCL 211.7u, as last amended by Public Act 253 of 2020.

This Public Act provides those in poverty with an exemption from paying property taxes on principal residences, subject to certain conditions. To meet the exemption requirements, there are specific steps an applicant must follow, including filing and being approved an application for an exemption by the City of Charlotte Board of Review.

The statute requires the City of Charlotte Council to adopt from time to time, the federal poverty and asset guidelines as updated annually in the Federal Register by the United States Department of Health and Human Services.

II. DEADLINE FOR SUBMISSION OF POVERTY EXEMPTION APPLICATIONS:

For the March 2026 Board of Review, a complete application must be received by the office of the City Assessor by March 1, 2026.

For the July 2026 Board of Review, a complete application must be received by the office of the City Assessor by July 1, 2026.

For the December 2026 Board of Review, a complete application must be received by the office of the City Assessor by December 1, 2026.

III. APPLICATION AND POVERTY GUIDELINES:

To be eligible to receive a 100% property tax exemption based on poverty, an applicant shall do all of the following on an annual basis:

1. Be the owner of and occupy as a principal residence the property for which an exemption is sought.

2. File a claim in the form of a complete application with the City Assessor's office on forms prescribed by the Michigan State Tax Commission. These forms include: Form 5737 – "Application for MCL 211.7u Poverty Exemption," including all required documentation (i.e., federal and state income tax returns for all persons residing in the principal residence, including any property tax credit returns.) Form 5739 – "Affirmation of Ownership and Occupancy to Remain Exempt by Reason of Poverty" Form 4988 – "Poverty Exemption Affidavit" – NOTE: This form is used by applicates who are not required to file federal and state income tax returns.

3. Produce a valid driver's license or other form of identification, if requested.

4. Produce a deed, land contract, or other evidence of ownership of the property, if requested.

5. Meet the federal poverty guidelines for income, as published in the prior calendar year in the Federal Register by the United States Department of Health and Human Services, which are as follows:

   Persons Residing in Residence……. Annual Allowable Income

   1 person ……..... $ 15,650
   2 persons ……..…… $ 21,150
   3 persons..... $ 26,650
   4 persons..... $ 32,150
   5 persons.....… $ 37,650
   6 persons..... $ 43,150
   7 persons..... $ 48,650
   8 persons..... $ 54,150
   For Each Additional Person add..... $ 5,500

6. Meet the poverty guidelines for assets, as established by the City of Charlotte Council to determine the maximum value of all assets allowable to qualify for the poverty exemption. This asset test CANNOT include the value of the principal residence. The asset test can include assets such as, but not limited to, a second home, land,

vehicles including recreational vehicles, buildings other than the principal residence, jewelry, antiques, artwork, bank accounts, stocks, withdrawals of bank deposits and borrowed money, gifts, loans, lump-sum inheritances, one-time insurance payments, etc. The maximum asset limits are as follows:

Persons Residing in Residence…….Annual Allowable Assets

1 person …….....	$ 20,000
2 persons …….....	$ 25,000
3 persons.....	$ 30,000
4 persons.....	$ 35,000
5 persons.....	$ 40,000
6 persons.....	$ 45,000
7 persons.....	$ 50,000
8 persons.....	$ 55,000
For Each Additional Person add.....	$ 5,000

BE IT FURTHER RESOLVED that this resolution was adopted on the _____day of _____ 2026 and was properly adopted by the City of Charlotte Council.

Moved by: _____

Supported by: _____

Memo

To: City Council
From: Salena Benavidez, Community Development Director
Date: January 12, 2026
Re: Resolution to Reauthorize CDBG Application

Background
The Michigan State Housing Development Authority (MSHDA) approved the City of Charlotte's letter of intent for the Community Development Block Grant (CDBG) requesting $$358,720 for Homeowner Rehabilitation and grant administration. If awarded, this grant would bring $304,000 to the community to be re-granted to local residents for home repairs. It would also provide $54,720 to procure the services of a third-party grant administrator.

As City Council members know, Charlotte is a community with older housing stock where there is visible evidence of neglect and deferred maintenance in many neighborhoods.The owner-occupants of these houses would likely meet the low-to-moderate income guidelines the grant is intended to benefit. All activities will be taken for the purpose of providing and/or improving permanent residential structures, which upon completion will be occupied by low- or moderate-income households.

MSHDA requires all applicants to pass a resolution to designate the authorized official responsible for the CDBG application, grant administration, and NEPA Environmental Review Certifying Officer. Due to the recent changes in leadership, the resolution needed to be updated to reflect the appropriate authorized officials.

Recommendation
Make a motion to pass the resolution to designate the updated authorized official responsible for the CDBG application, grant administration, and NEPA Environmental Review Certifying Officer.

THE CITY OF CHARLOTTE MICHIGAN

Memo

To: Honorable Mayor Fullerton; City Council
From: Mikayla Middaugh, Deputy City Clerk
Date: January 09, 2026
Re: Staff report on Mayoral appointments to boards and commissions.

Background
In accordance with Section 4.4 (7) of the City Charter, the Mayor shall make appointments of members to the boards and commissions of the city which are authorized by law or direction of the Council.

Recommendation
It is recommended that Council approves the following Mayoral appointment(s);

NAME	BOARD/COMMISSION	EXPIRATION OF TERM
Justin Brummette	Park Advisory Board - Council Rep	11/09/2026

Financial Impacts
No financial impact

Suggested Motion
Motion to approve the Mayoral appointment(s) as outlined herein to their respective board or commission for the term of expiration given.

THE CITY OF CHARLOTTE MICHIGAN

Memo

To: Honorable Mayor Fullerton; City Council
From: Christina Horton
Date: January 7, 2026
Re: Budget Amendments

Introduction
The Uniform Budget and Accounting Act of 1968, as amended, requires the City to make amendments to the budget when appropriations exceed the current budget. These amendments must be approved by the City Council.

In the General Fund, the City Council adopts a budget for each department, so the amendments address any budget needs by department, rather than by fund total. For all non-General Funds, a budget amendment is only necessary if the Council finds the total fund appropriation will exceed the budget adopted by the Council.

Attached please find the recommended budget amendment resolution and detail for the meeting of January 12, 2026.

Specifically, the requested budget amendments will allow the following:

General Fund (101)

Mission Square catch-up contributions
Amend Police budget to add $7,832
(101-301.000-728.000)

Auto allowance for DPW Director (the total amount is split between five budgets)
Amend Public Works Administration budget to add $1,440

Mileage reimbursement for Code enforcement meetings
Amend Code Enforcement budget to add $332
(101-704.000-861.000)

Emergency plumbing repairs at City Hall
Amend City Hall Building & Grounds to add $25,860
(101-265.000-741.000)

Demolition of old DPW building on Tirrell St., asbestos testing, gas line installation/relocate electric for old DPW building
Amend DPW Garage Bldg. & Grounds to add $21,815

(101-582.000-810.000)

Police vehicle repairs from March 2025
Amend Police budget to add $1,414
(101+301.000-740.000)

Additional needed for downtown snow removal contract
Amend Parking Services/Winter Maintenance budget to add $11,800
(101-444.000-810.000)

Additional required for tax sharing
Amend Finance Department budget to add $5,407
(101-253.000-959.001)

Major Streets Fund (202)

Auto allowance for DPW Director (the total amount is split between five budgets)
Amend Street Administration budget to add $720
(202-520.000-718.000)
Amend Street Administration budget to add $720
(203-520.000-718.000)

Grant match for Safe Routes to School
Amend to add $34,371 to Sidewalk Maintenance budget
(202-446.000-801.000)

Local Streets Fund (203)

Auto allowance for DPW Director (the total amount is split between five budgets)
Amend Public Works Administration budget to add $1,440

Grant match for Safe Routes to School
Amend to add $34,371 to Sidewalk Maintenance budget
(202-446.000-801.000)

Camp Frances (285)

Donation received to purchase bench with engraving
Amend Parks & Recreation revenue and expenditures to reflect $1,490
(285-751.000-974.000)

Water & Sewer Fund (510)

WesTech trickling filters
Amend Water & Sewer/WWTP Operations budget to add $166,860
(510-550.000-971.000)

Auto allowance for DPW Director (the total amount is split between five budgets)
Amend Water Administration budget to add $960
(510-555.000-718.000)
Amend Sewer Administration budget to add $960
(510-537.000-718.000)

Recommendation:
City staff recommends the City Council approve the budget amendment resolution.

Financial Impacts

	Revenues	Expenditures
General Fund (Fund 101)	-	75,900
Major Streets (Fund 202)	-	35,811
Local Streets (Fund 203)	-	35,811
Water & Sewer Fund (Fund 510)	-	168,780
Camp Frances	1,490	1,490

Suggested Motion
City Council moves to approve the fiscal year 2025-26 budget amendments for the year ending 6/30/26.

STATE OF MICHIGAN
CITY OF CHARLOTTE
EATON COUNTY

A RESOLUTION AMENDING THE OPERATING AND CAPITAL BUDGET APPROPRIATION OF FUNDS FISCAL YEAR 2025-2026
RESOLUTION 26-02

At a regular meeting of the City of Charlotte City Council, Eaton County, Michigan, held in City Council Chambers of Charlotte City Hall, at 111 E. Lawrence Avenue, Charlotte, Michigan, 48813, on the 12th day of January at 7:00 p.m.

WHEREAS, pursuant to the Uniform Budgeting and Accounting Act of 1968, as amended, the legislative body shall adopt a balanced budget including all supplemental appropriation approvals; and

WHEREAS, pursuant to the Uniform Budgeting and Accounting Act of 1968, as amended, a balanced budget is defined as estimated total expenditures including an accrued deficit shall not exceed estimated total revenues including a surplus; and

WHEREAS, the City Council has the sole authority to adopt and amend the budget;

NOW, THEREFORE BE IT RESOLVED, that the general appropriations of the City of Charlotte for the fiscal year beginning July 1, 2025 and ending June 30, 2026, complies with the balanced budget requirements and the following fund appropriations are therefore amended and approved as attached hereto:

	Revenues	**Expenditures**
General Fund (Fund 101)	-	75,900
Major Streets (Fund 202)	-	35,811
Local Streets (Fund 203)	-	35,811
Water & Sewer Fund (Fund 510)	-	168,780
Motor Vehicle Pool (510)	1,490	1,490

Motion to approve Resolution was offered by _____ and seconded by _____.
Roll Call: Aye: _____ Nays: ____ Absent: ____

RESOLUTION DECLARED ADOPTED. _____
Rob Hillard, City Manager

CERTIFICATE
I, Mary LaRocque, the acting Clerk of the City of Charlotte, hereby certify that the foregoing resolution was adopted by the City Council, as presented at a meeting on October 28, 2024 at which meeting a quorum was present by a roll call vote of said members as herein set forth; that said resolution was ordered to take immediate effect.

_____
Mikayla Middaugh, City of Charlotte Deputy Clerk

CITY OF CHARLOTTE

RESOLUTION NO. 2026-03

APPROVE THE SUBMITTAL OF A REQUEST TO MICHIGAN DEPARTMENT OF TRANSPORTATION FOR CONVERTING M-79 (LAWRENCE AVENUE) FROM 4 TO 3 TRAFFIC LANES

RESOLUTION

WHEREAS, the Michigan Department of Transportation (MDOT) is the maintaining agency with jurisdiction for M-79 (Lawrence Avenue),

WHEREAS, M-79 (Lawrence Avenue) currently has four (4) vehicular lanes,

WHEREAS, the Michigan Department of Transportation and the City hosted a Public Open House on October 29, 2025, to answer questions and examine project plans,

WHEREAS, for the lane conversion, Michigan Department of Transportation requires a City of Charlotte Council Resolution requesting the 4 to 3 lane conversion,

THEREFORE, BE IT RESOLVED, that with this Resolution the City of Charlotte Council states its support for the 4 to 3 traffic lane conversion on M-79 (Lawrence Avenue), and

BE IT FURTHER RESOLVED, that the City of Charlotte Council authorizes the City staff to forward this Resolution to Michigan Department of Transportation (MDOT) as the City of Charlotte Council's formal request for the above lane conversion from four (4) vehicular lanes to three (3) vehicular lanes.

_____

Mikayla Middaugh, Charlotte Deputy City Clerk

The foregoing Resolution was moved for adoption by Council Member _____ and seconded by Council Member _____ and declared adopted by the following vote:

AYES:

NAYES:

ABSENT:

RESOLUTION DECLARED ADOPTED.

I, the undersigned, the duly qualified Clerk of the City of Charlotte, County of Eaton, State of Michigan, do hereby certify that the foregoing is a true and complete copy of a resolution adopted by the City Council of the City of Charlotte at a regularly scheduled meeting held on Monday, _____, 2025, relevant to the Michigan Open Meetings Act, the original of which is on file in my office as part of the council minutes.

IN WITNESS WHEREOF, I have hereunto set my official signature, this _____ day of _____ 2025.

_____

Mikayla Middaugh, Deputy City Clerk
City of Charlotte
Eaton County, Michigan

Project Limit and Road/Operation Improvements



Roadway Resurfacing Improvements

- M-79/I-69BL (Lawrence Avenue) Vanlieu Street to Harris Street
- M-50 (Cochran Avenue) Beech Highway to Lawrence Avenue

Signal Operational Improvements

- Intersection of M-50 (Cochran Ave) and I-69BL/M-79 (Lawrence Ave)
  - Reduced delay for all approaches
  - Two-phase signal operations
  - Dedicated left turn lanes on East and West approaches.

Michigan Department of Transportation

2026 Resurfacing and Roadway Improvement Projects for M-79, I-69 Business Loop and M-50

MDOT
Michigan Department of Transportation

Match Line See Next Page

Match Line See Previous Page

2026 Resurfacing and Roadway Improvement Projects for M-79, I-69 Business Loop and M-50

MDOT Michigan Department of Transportation

Match Line See Next Page

Match Line See Previous Page

2026 Resurfacing and Roadway Improvement Projects for M-79, I-69 Business Loop and M-50

MDOT Michigan Department of Transportation

Match Line See Next Page

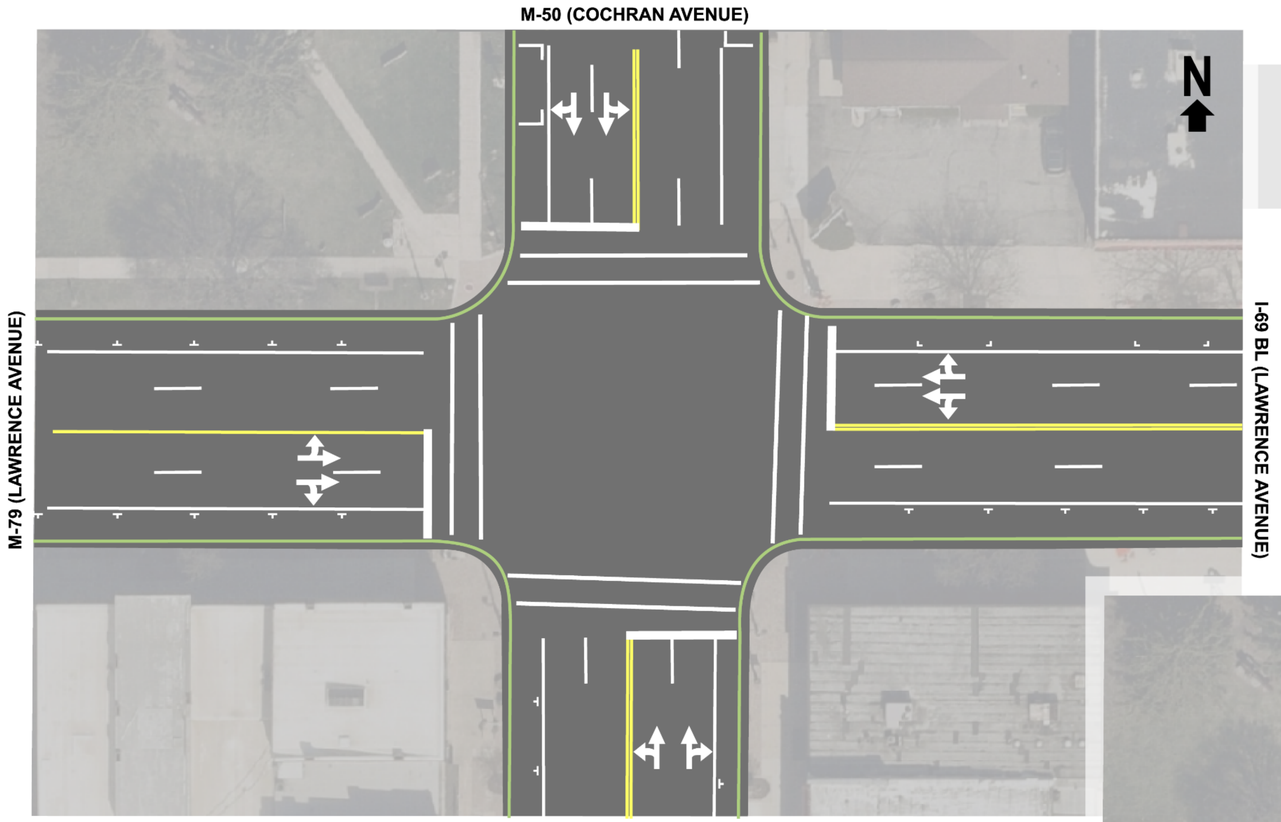
Match Line See Previous Page

2026 Resurfacing and Roadway Improvement Projects for M-79, I-69 Business Loop and M-50

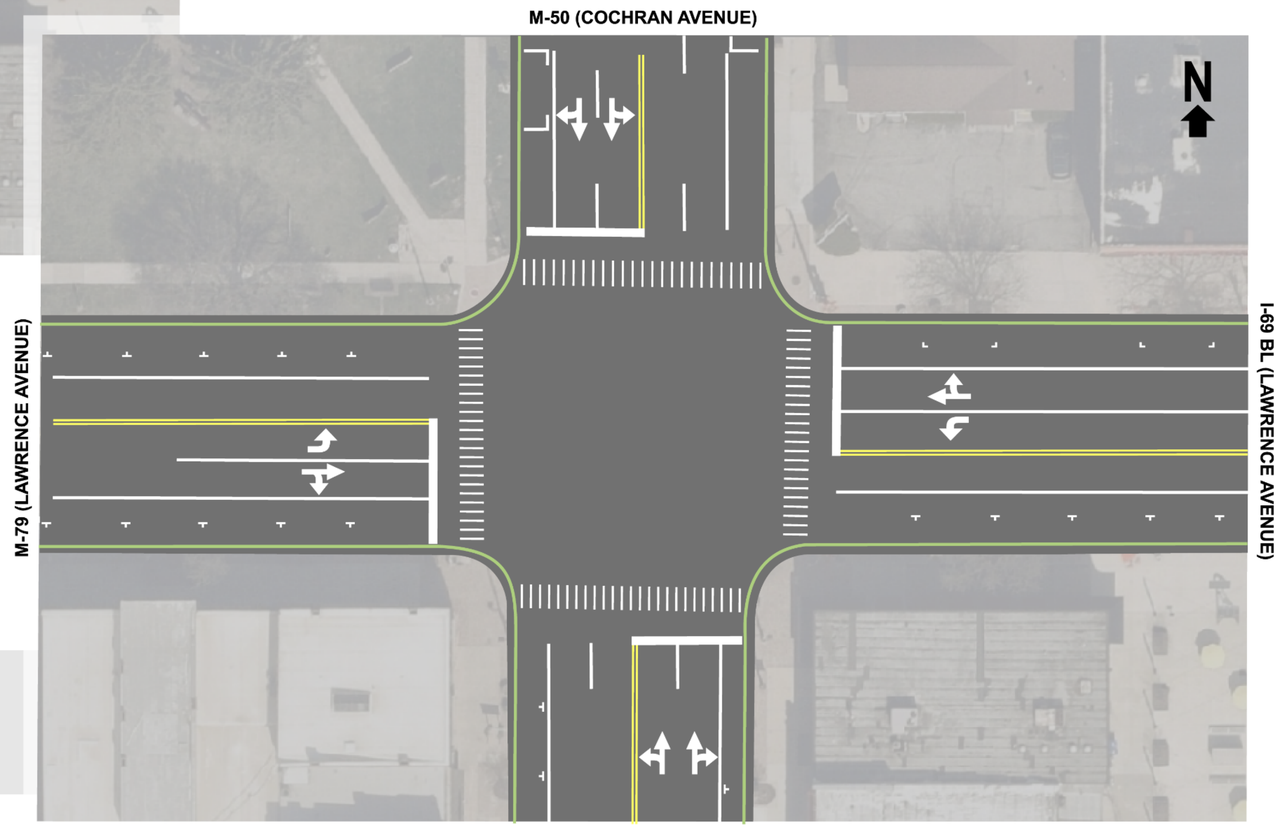
MDOT Michigan Department of Transportation

Match Line See Previous Page

Signal Operational Improvements



Existing Layout of
M-50 and M-79/I-69 BL Intersection

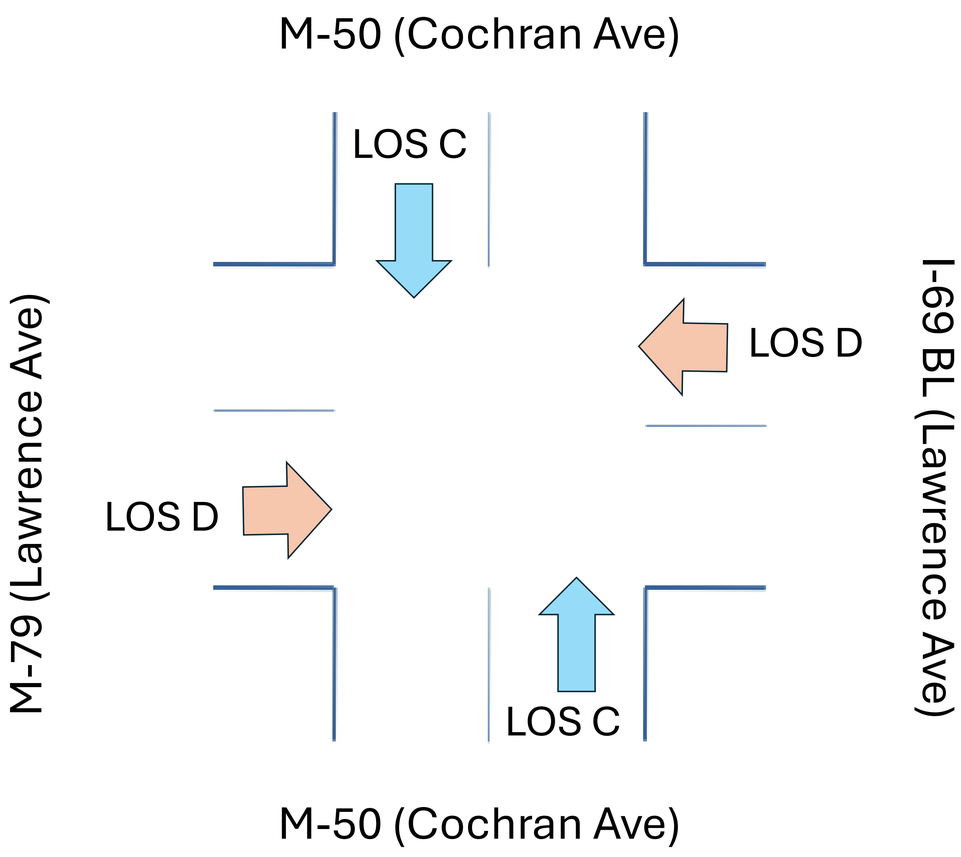


Proposed Layout of
M-50 and M-79/I-69 BL Intersection

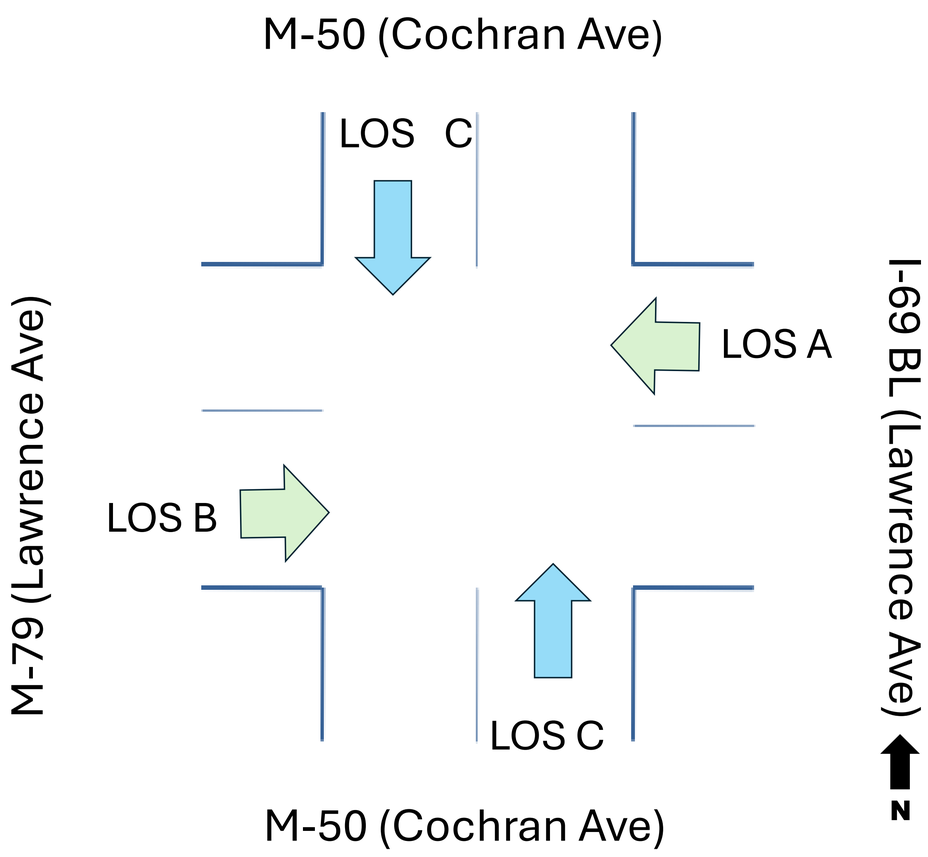
Michigan Department of Transportation

Signal Operational Improvements

Existing Conditions



Improved Conditions

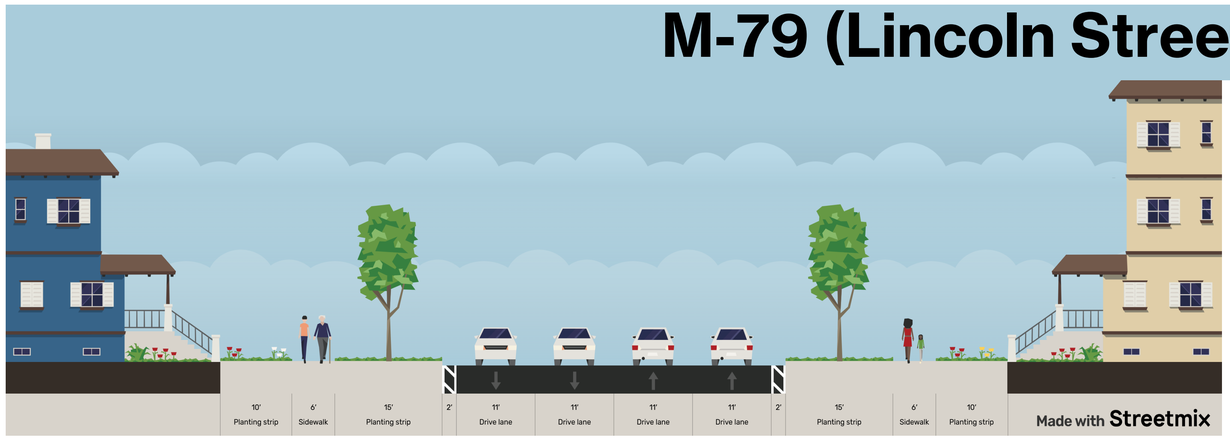


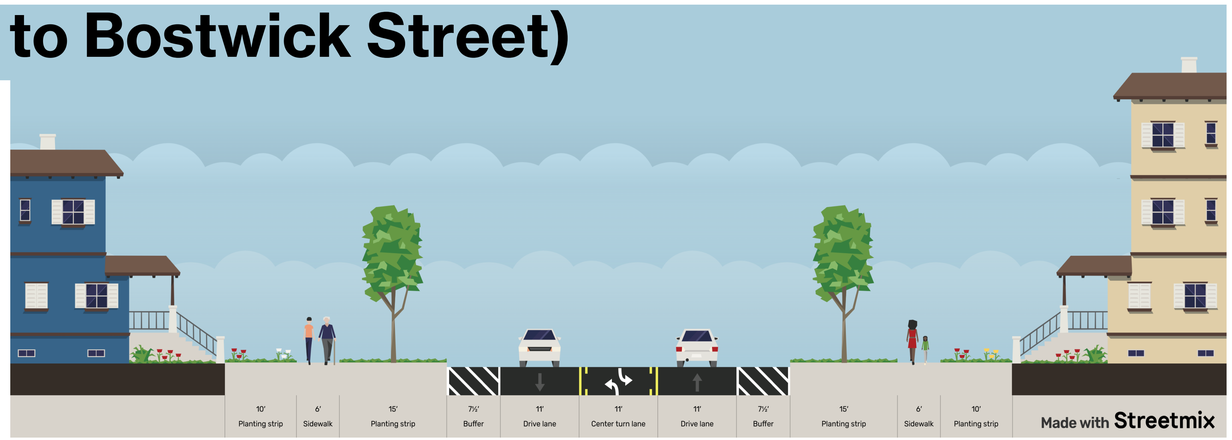
Michigan Department of Transportation

Existing Layout

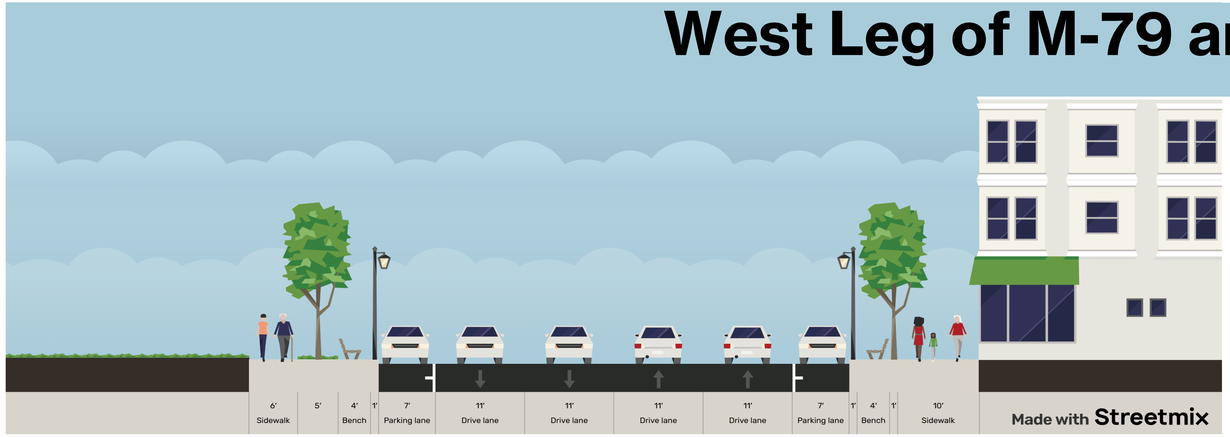
Proposed Layout

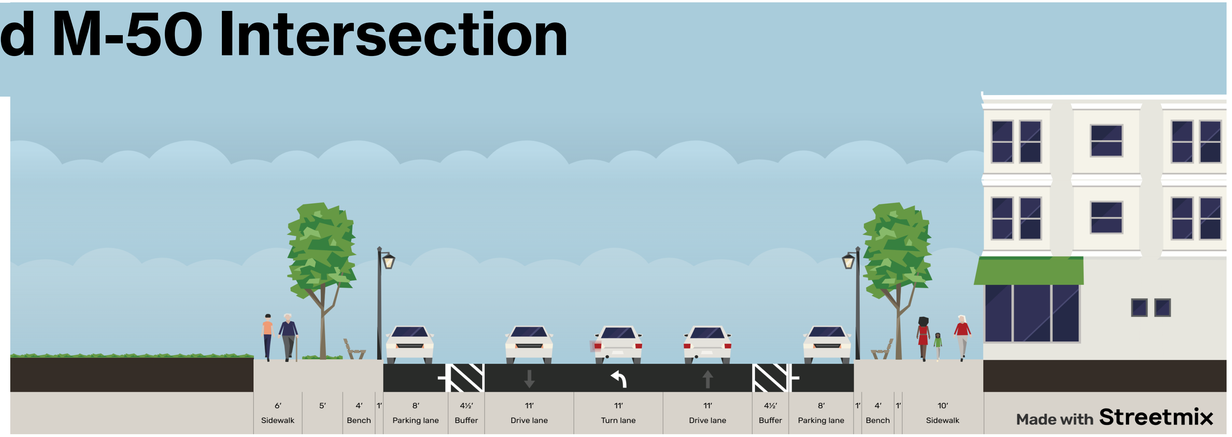
M-79 (Lincoln Street to Bostwick Street)





West Leg of M-79 and M-50 Intersection



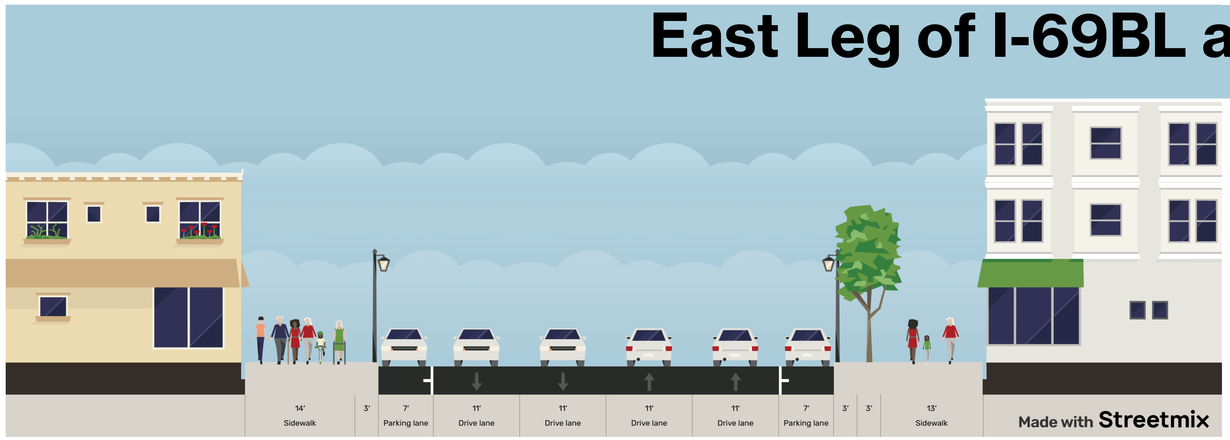


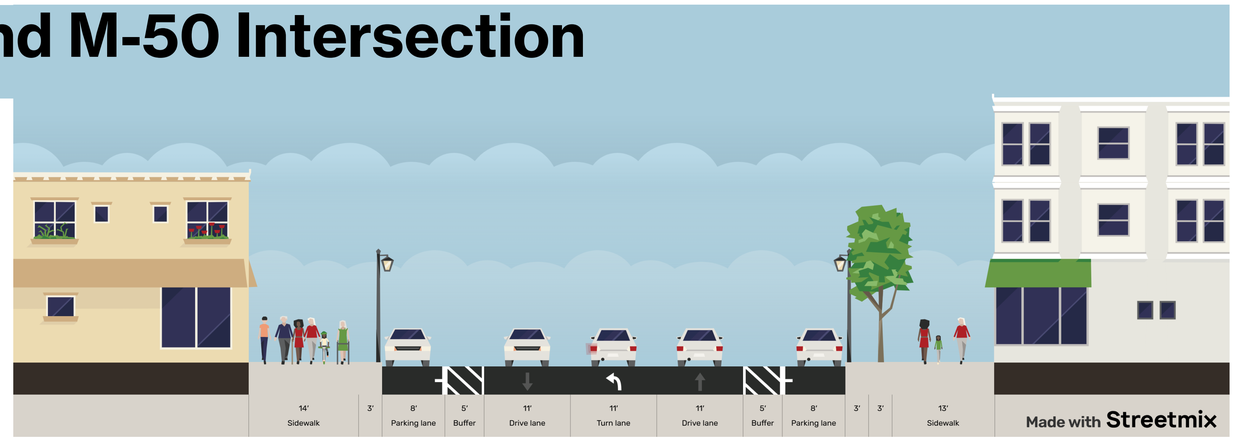
Michigan Department of Transportation

Existing Layout

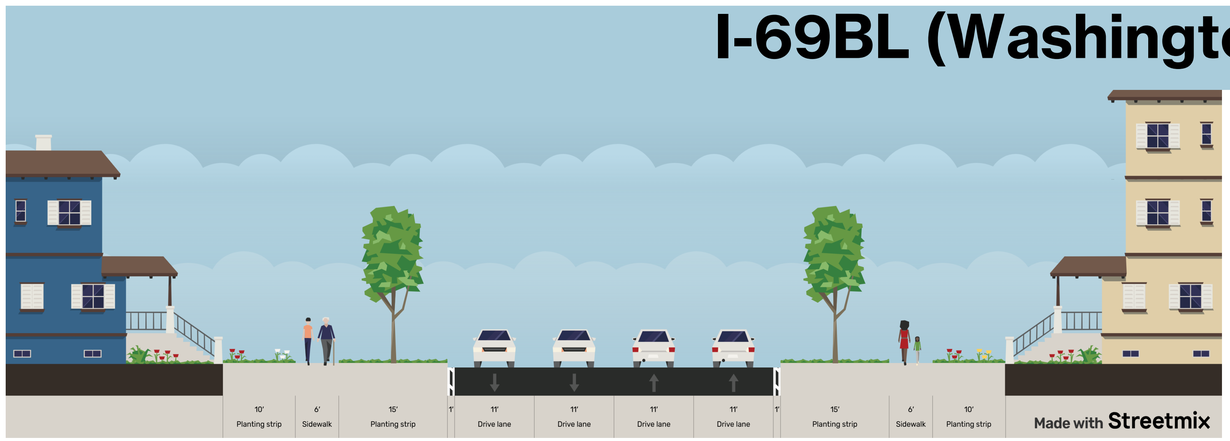
Proposed Layout

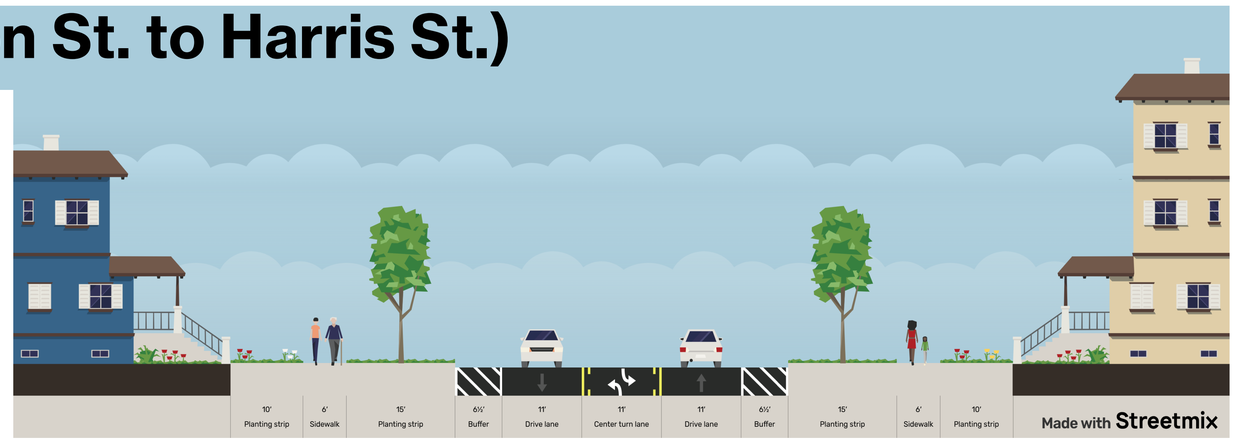
East Leg of I-69BL and M-50 Intersection





I-69BL (Washington St. to Harris St.)





Michigan Department of Transportation

CHARLOTTE FIRE DEPARTMENT & RURAL FIRE ASSOCIATION
Fire Chief – Tyger Fullerton
911 W. Shepherd St. Charlotte, MI 48813
Ph. 517-543-0241

TO:
City Manager Hillard

FROM:
Tyger Fullerton -Fire Chief & Dan Daly- Asst Chief.

DATE:
January 9th, 2026

SUBJECT:
Adoption of the 2021 International Fire Code

Overview

Over the past year, the Charlotte Fire Department has worked closely with the City Attorney's Office to review, update, and prepare the 2021 International Fire Code (IFC) for formal adoption by the City of Charlotte. During this process, minor revisions were incorporated to align the code with existing City ordinances, operational practices, and established enforcement procedures. These updates ensure the new code reflects the City's best interests while maintaining consistency with current standards and implementation processes.

Background

The City previously adopted the 2021 International Property Maintenance Code (IPMC), which sets minimum standards for property conditions, life safety, and ongoing maintenance. The IFC and IPMC are designed to work in coordination, providing a unified and consistent framework for building safety, fire prevention, and hazard mitigation across all occupancies.

The 2021 IFC also includes comprehensive updates addressing modern technologies and emerging hazards, such as electric vehicles, battery energy storage systems, and renewable energy installations. These areas are more thoroughly covered in the IFC than in the NFPA provisions, providing improved guidance and enhanced safety for both the public and emergency responders.

Integration with Existing Standards

Adoption of the 2021 IFC will not replace or nullify existing National Fire Protection Association (NFPA) standards currently in effect. Both code sets will remain active and complementary. The NFPA codes will continue to guide equipment specifications and system maintenance, while the IFC provides the administrative, enforcement, and permitting framework at the local level. Together, these standards establish a robust and modern regulatory system that ensures consistency and clarity in fire safety and prevention practices.

Benefits of Adoption

- Establishes consistency between the City's adopted Property Maintenance and Fire Codes.
- Enhances the City's ability to address contemporary fire safety issues such as energy storage, hazardous materials, and vehicle charging systems.
- Strengthens enforcement and permitting provisions for greater operational efficiency.
- Aligns the City with current State and national model code standards, reducing liability and improving coordination across departments.
- Provides a foundation for improved code enforcement, plan review, and inspection processes.
- Aligns the City's Fire Code with the same model code family as the Building Code, ensuring full compatibility between fire and building standards moving forward.

Recommendation

Since the first reading of this proposed ordinance on December 8th 2025, we have not received any questions or negative feed back. The Department recommends that City Council approve final adoption of the 2021 International Fire Code at the January 12, 2026, Council meeting.

This action will modernize the City's fire safety framework, enhance interdepartmental consistency with both the Property Maintenance and Building Codes, and ensure Charlotte remains aligned with national best practices in fire prevention, construction safety, and community risk reduction.

Respectfully,



Tyger Fullerton
Fire Chief
Charlotte Fire Department

Introduced: December 08, 2025
Adopted:
Effective:

CITY OF CHARLOTTE

EATON COUNTY, MICHIGAN

ORDINANCE NO. 2025-09

PREAMBLE

AN ORDINANCE TO AMEND THE CITY OF CHARLOTTE CODE OF ORDINANCES, PURSUANT TO THE AUTHORIZATION SET FORTH IN SECTION 3(K) OF THE MICHIGAN HOME RULE CITIES ACT (MCL 117.3), ADOPTS THE INTERNATIONAL FIRE CODE, 2021 EDITION PUBLISHED BY THE INTERNATIONAL CODE COUNCIL AS A FIRE CODE FOR THE CITY OF CHARLOTTE.

THE CITY OF CHARLOTTE ORDAINS:

SECTION 1 [CODE SEC. 30-1]. TILE AND PURPOSE. The title of this ordinance shall be the "Fire Code of the City of Charlotte". The purpose of the ordinance is to amend City ordinance and code Section 30-1, *et seq*., regarding the adoption of the International Fire Code 2021, and to provide for the public health, safety, and welfare of the City and persons within the City; and to establish violation penalties, and to repeal any conflicting codes, and to establish an effective date.

SECTION 2 [CODE SEC. 30-2]. ADOPTION OF INTERNATIONAL FIRE CODE OF 2021 (IFC). Code Section 30-2 is and shall be amended as follows:

A. Pursuant to the authorization set forth in Section 3(k) of the Michigan Home Rule Cities Act (MCL 117.3), the City of Charlotte does hereby adopt the International Fire Code of 2021 (the "Code") prepared by the International Code Council, Inc., as the Fire Code of the City of Charlotte, as amended herein, including the Appendices as specifically identified and hereby adopted.

B. The adopted code shall be known as the "Fire Code of the City of Charlotte" and shall replace the existing "Charlotte Fire Prevention Code" previously adopted which is hereby repealed. Whenever the words "authority having jurisdiction" are used in the Fire Prevention Code, it shall mean the Fire Chief and his or her designees. Whenever the words "governing authority" are used, it shall mean the City of Charlotte.

C. That said Code, including its Appendices, three (3) copies of which shall at all times be available for public inspection, one copy at the office of the City Clerk, and two copies at the Fire Department, together with all amendments marked and identified appendices, designated as the International Fire Code, 2021 Edition, published by

the International Code Council shall be and is hereby adopted by the City of Charlotte. That said Code is adopted and made a part hereof by reference except as amended by and within this Ordinance. In accordance with the Authorization Set Forth In Section 3(K) of the Michigan Home Rule Cities Act (MCL 117.3), the City Clerk shall make available copies of the ordinance in the Clerk's office together with amendments which shall be available for distribution to members of the public at large at a charge to be established by the City Council.

D. That said adoption of the Code being for the purpose of regulation of conditions and conduct hazardous to life and property related to fire or explosion within the city, which code, including the following appendices (B—Fire-Flow Requirements for Buildings; C—Fire Hydrant Locations and Distribution; D—Fire Apparatus Access Roads; E—Hazard Categories; F—Hazard Ranking; G—Cryogenic Fluids, Weight and Volume Equivalents, H-Hazardous Materials Management Plan (HMMP) and Hazardous Materials Inventory Statement (HMIS) Instructions; I–Fire Protection Systems – Noncompliant Conditions; J–Building Information Sign; K–Construction Requirements for Existing Ambulatory Care Facilities; L–Requirements for Fire Fighter Air Replenishment Systems), shall be and are hereby adopted as the fire code of the City. Appendices A, M, and N are not adopted.

E. The International Fire Code 2021 Ed. shall be incorporated into the Charlotte City Code Sec. 30-1, *et seq*., as amended.

F. N.F.P.A. Basic Fire Prevention Code, 2018 Edition, as amended, may be cited as determined by the Fire Chief or enforcement official, as applicable.

SECTION 3. [CODE SEC. 30-3] AMENDMENTS TO 2021 INTERNATIONAL FIRE CODE. The 2021 INTERNATIONAL FIRE CODE shall be amended as follows:

The International Fire Code 2021 and the sections set forth below are hereby amended as follows:

Section 101.1 Title. These regulations shall be known as the "Fire Code of the City of Charlotte" and shall hereinafter be referred to as "this Code."

Section 104.1 Authority. The Fire Chief, Assistant or Deputy Fire Chief, Fire Marshal, fire code official, or approved personnel have the specific authority to enforce the provisions of this Ordinance, the provisions of this Ordinance and its amendments, and the International Fire Code, by the issuance of civil citations, district court appearance tickets and/or legal process, as permitted by law. The Fire Chief is hereby authorized to render interpretations of this code and to adopt policies, procedures, rules and regulations in order to clarify the application of its provisions. Such interpretations, policies, procedures, rules, and regulations shall be in compliance with the intent and purpose of this code. Such policies, procedures, rules and regulations shall not have the effect of waiving requirements specifically provided for in this code.

Section 105.5.34. Open Burning, the Exception: "*Recreational fires" is hereby deleted.*

Section 111.4 Failure to Comply. Any person who shall continue any work after having been served with a stop work order, except that work which the person is directed to perform to remove a violation or unsafe condition, shall be subject to fines as adopted by the jurisdiction having jurisdiction.

Section 112, Violations.

Section 112.1 Unlawful Acts. It shall be unlawful for a person, firm, or corporation to erect, construct, alter, repair, remove, demolish or utilize a building, occupancy, premises or system regulated by this Code, or cause same to be done, in conflict with or in violation of any of the provisions of this Code.

Section 112.2. Owner/occupant responsibility. Correction and abatement of violations of this Code shall be the responsibility of the owner or the owner's authorized agent. Where an occupant creates, or allows to be created, hazardous conditions in violation of this Code, the occupant shall be held responsible for the violation/abatement of such hazardous conditions.

Section 112.4. Violation Penalties, Misdemeanor. Any person, partnership, firm, association or corporation who shall violate, neglect or refuse to comply with any of the provisions of this Ordinance shall, upon violation of this Ordinance, be guilty of a misdemeanor, unless such violation is designated as a civil infraction. For all violations not designated as civil infractions, penalties may be imposed of up to ninety (90) days incarceration in the county jail and/or fines not to exceed five hundred dollars ($500.00).

Section 112.4.1 Abatement of Violation. In addition to the imposition of the penalties herein described, the fire code official is authorized to institute appropriate legal action to prevent unlawful construction or to restrain, correct or abate a violation; or to prevent illegal occupancy of a structure or premises; or to stop an illegal act, conduct of business or occupancy of a structure on or about any premises.

Section 112.4.2 Penalties; Civil Infraction. Civil - Penalties may be imposed for violations designated as civil infractions by a fine not to exceed five hundred dollars ($500.00) plus court costs, which costs may include all expenses, direct or indirect, which the City has incurred in connection with the infraction. Penalties may be subject to specific Code sections. The court or magistrate may also impose any and all other remedies applicable to municipal civil infractions provided for under state law. Each day of such violation, whether designated a civil infraction or misdemeanor, shall constitute a separate offense.

Section 112.4.3 Modification of Fines and Penalties. All fines and changes levied hereunder, including charges levied in connection with the issuance of a permit, may be amended from time to time by Resolution of the City Council or by amendatory ordinance.

Section 112.5 Other Civil Remedies; Abatement of Violation. In the discretion of the City, appropriate legal action may be instituted to prevent further violation hereof

and/or to abate existing violations by pursuit of equitable relief, such as issuance of mandatory injunctions and restraining orders.

Section 202 General Definitions. The following definitions for the purpose in this code shall be added or revised as follows:

Burn or burning. The ignition or combustion of material where smoke and other emissions are released directly into the air.

Garbage. Rejected organic waste including waste from the accumulation of animal, fruit, or vegetable matter used or intended for the use in the preparation, use, cooking, processing or storing of meat, fish, fowl, fruit, vegetable or other food; accumulations of leaves, branches, cut grass or other vegetation.

Litter. Rubbish, refuse, garbage, trash, debris and waste material of any kind.

Mop-up. Defined as "extinguishing or removing burning material near control lines, felling snags, and trenching logs to prevent rolling after an area has burned, to make a fire safe, or to reduce residual smoke."

Open Burning. The burning of materials wherein products of combustion are emitted directly into the ambient air without passing through a stack or chimney from an enclosed chamber. Open burning does not include road flares, smudgepots**,** and similar devices associated with safety or occupational uses typically considered open flames, recreational fires or use of portable outdoor fireplaces. For the purpose of this definition, a chamber shall be regarded as enclosed when, during the time combustion occurs, only apertures, ducts, stacks, flues or chimneys necessary to provide combustion air and permit the escape of exhaust gas are open. (See Section 307 for restrictions.)

Owner means:

(a) Every person or entity holding legal or equitable title to a property or to real improvements on a property solely, jointly, by the entireties, in common, or as land contract vendee; or

(b) Every person or entity who in fact has been empowered to act on behalf of, or receive process for, or as agent of the owner; or

(c) Every person or entity who has, or exercises, care, custody, dominion or control over any property; or

(d) Every person or entity who is a record owner as demonstrated by a deed or other document of title recorded at the office of the Register of Deeds or otherwise substantiated; or

(e) Every person or entity listed as the taxpayer by assessor's records.

Prescription burn. Defined as "the burning, in compliance with a prescription and to meet planned fire or land management objectives, of a continuous cover of fuels."

Prescription. Defined as "a written plan establishing the criteria necessary for starting, controlling, and extinguishing a burn."

Section 302.1 Definitions. See Section 202 General Definitions. The following words and terms shall, for the purposes of this section and as used elsewhere in this Code, have the meanings as shown herein:

Open Burning. Open burning should comply with sections 202 and 307 of the code. Under certain conditions, the fire chief or his designee may allow the burning of brush by permit.

Recreational Fire. Fuel used for a recreational fire shall be untreated dry-season wood or charcoal. The total area for the fire shall not exceed 3 FT in diameter and 2 FT in height. Owners of 5 or more acres may be allowed the burning of brush with the approval of the fire chief or authorized code official.

Section 307. OPEN BURNING, RECREATIONAL FIRES, PRESCRIBED BURNS AND PORTABLE OUTDOOR FIREPLACES. Section 307 is and shall be amended as follows:

See definitions Section 202 and Section 307.

Section 307.1.1 Prohibited open burning. *Open burning* shall be prohibited when atmospheric conditions or local circumstances make such fires hazardous. Open burning of grass clippings, leaves, and construction materials are prohibited.

Section 307.4.2 Recreational Fire (see definitions Section 202, as amended herein) shall be and is hereby amended to read as follows: Recreational fires shall not be conducted within 25 feet of a building, structure or combustible material and at least 15 feet from any property line. Conditions that could cause a fire to spread within 25 feet of a structure shall be eliminated prior to ignition. Restrictions as follows:

1. Limited to single-family dwellings.
2. The wind speed shall be 15 mph or less.
3. The fire area or pit shall not exceed three feet in diameter.
4. Only seasoned firewood, charcoal, compressed wood logs, compressed wood bricks or compressed wood barbecue pellets may be used in the fire.
5. The fire area must be supervised at all times by a person at least 18 years of age.
6. A water supply, such as a garden hose, shall be readily available to suppress the fire.
7. The duration of the fire shall not exceed four hours.
8. The fire shall be fully extinguished before it is left unattended.
9. The Fire Chief or designee, may prohibit recreational fires when atmospheric conditions or other circumstances are such that a fire would constitute a fire hazard or would endanger the health or property of any person.
10. Shall comply with the International Fire Code.

Section 307.7.1 Burning Prohibited I. No person shall burn paper, garbage, litter, trees, leaves, stumps, brush, refuse, household waste, commercial waste, building

materials or debris, construction materials or debris, demolition waste or debris, remodeling waste or debris, tires, furniture or any other wanted or unwanted material, except as otherwise provided herein. A person who violates this section is responsible for a municipal civil infraction.

Section 307.7.2 Burning Prohibited II. No owner shall knowingly permit a person to burn paper, garbage, litter, trees, leaves, stumps, brush, refuse, household waste, commercial waste, building materials or debris, construction materials or debris, demolition waste or debris, remodeling waste or debris, tires, furniture or any other wanted or unwanted material on their property, or on property occupied by them or under their control, including the gutter or curb area adjacent to the property, except as otherwise provided herein. A person who violates this section is responsible for a municipal civil infraction.

Section 307.7.3 Burning Prohibited III. For buildings or structures other than one and two-family dwellings, no person shall use barbecue grills, char broilers, smokers, deep fryers, and similar cooking or heat generating devices or appliances on balconies, decks, under any overhanging portion of a structure or within ten feet of any structure, nor shall any person store said items on a balcony or deck. A person who violates this section is responsible for a municipal civil infraction.

Section 307.8 Additional requirements. May be instituted by fire department personnel and complied with prior to burning.

Section 307.9 Penalties; Civil Infraction. A person who violates Section 307 is responsible for a municipal civil infraction, subject to the following fine, or as established by City Council Resolution. Within a 12-month period:

1. For a first offense, a fine of $100.00.
2. For a second offense, a fine of $300.00.
3. For a third or subsequent offense, a fine of $500.00.

Section 316.4.1 Hidden Rooftop HVAC Equipment. On all buildings wherein rooftop heating, ventilation or other mechanical equipment is provided on the roof, a plain sign with the letters "HVAC" in six (6) inch high red letters on a white background shall be installed which will be in plain view to arriving fire units.

Section 503 phrase "Fire Apparatus Access Roads" in the 2021 International Fire Code is hereby deleted and amended to read as follows:

Section 503 Fire Apparatus Access Roads/Fire Lanes.

Section 503 is hereby amended to add the following provisions (1)-(9) before Section 503.1 of the 2021 International Fire Code:

(1) *Purpose*. This section is to be interpreted as the standard of care necessary to protect both people and property in case of a fire or similar emergency in any of those establishments herein defined through the use of controlled fire

lanes.

(2) *Authority*. The fire code official shall be responsible for establishing fire lanes on both public and private property. The following criteria shall be used in determining the necessity of fire lanes:
(a) Fire lanes shall be established as deemed necessary.
(b) The necessity of access from public thoroughfares shall be considered when establishing fire lanes.
(c) The necessity of traffic lanes that are free from parked vehicles, both to and around affected establishments, and that are capable of handling City fire vehicles, shall also be considered.
(d) This determination shall be made whenever the fire code official deems that such lanes are necessary for the safety of occupants and property of such establishments or when, after being petitioned by a private landowner to have fire lanes established on his or her property, the fire code official declares fire lanes necessary thereon in accordance with the above criteria. The Fire Chief or his or her designee shall notify the landowner of any such property whereon fire lanes are established, by mailing notice of the same to the address of the owner as identified in the records of the City Assessor.

(3) *Records*. The Fire Department shall keep an accurate up to date record of all fire lanes established within the City.

(4) *Signs*. All fire lanes shall be conspicuously posted with uniform fire lane signs prescribed by the Fire Chief or his or her designee and erected not more than 100 feet apart in all areas designated as fire lanes. The erection and maintenance of such signs shall be the responsibility of the property owner. Any owner who, upon notification that a fire lane has been established on his or her property and within thirty days thereof, fails to erect uniform fire lane signs, shall be in violation of this section and subject to the penalty provided in Section 1610.99 of the Codified Ordinances of the City. Further, when such signs are not erected within 30 days of notification, Council may direct such signs to be erected and the cost thereof assessed against the property on the next general assessment roll of the City.

(5) *Permitted parking*. The Fire Chief or his or her designee may grant permission for parking of certain vehicles, objects or trailers in designated fire lanes for limited periods where such parking will not interfere with the use of the fire lane by emergency vehicles. Whenever such permission is granted, a record of the same shall be kept by the Fire Department. In conjunction with such permission, the Fire Department shall furnish a sign to be posted conspicuously on the vehicle, object or trailer stating that permission to so park has been granted and stating the duration that it may remain so parked.

(6) *Guidelines for fire lanes at construction sites*. The Fire Chief or his or her designee shall establish guidelines for use by the Building Safety Division in determining the need for fire lanes at all new construction sites and at sites where existing structures are being modified. These guidelines shall include minimum dimensions for such fire lanes so as to provide adequate maneuverability for City fire vehicles. The Fire Department shall make a final check of all plans for such building or alteration upon submission of the same by the Building Safety Division. The Fire Department shall either approve or reject such plans within 20 days of such submission and, if rejected, shall state

the reasons for the same. After rejection, such plans may be resubmitted for approval after the necessary changes have been made.

(7) *Removal of vehicles, etc., from fire lanes*. When any member of the Fire department or the Police Department observes any vehicle, trailer or other object parked in a fire lane as herein established, and such vehicle, trailer or other object is not in such fire lane under authority of subsection (4) hereof, he or she shall remove such vehicle, trailer or other object or cause the same to be removed at the expense of the owner. If any vehicle, trailer or other object is so located within a fire lane at a time the Fire Department is responding to an alarm which necessitates use of such fire lane, then any member of the Police Department or the Fire Department may move such vehicle, trailer or other object or cause the same to be moved by any means possible without liability for damage.

(8) *Prohibited parking; citations*.

(a) No person shall stop, stand or park a vehicle, except when necessary to avoid conflict with other traffic or in compliance with the directions of a law enforcement officer, fire-fighter or traffic control device, within 15 feet of a fire hydrant.

(b) No person shall stop, stand or park a vehicle, whether occupied or not, in an area designated as a fire lane, on public or private property, except when necessary to avoid conflict with other traffic or at the direction of a law enforcement officer, fire-fighter or traffic control device.

(c) The Fire Marshal and other members of the Fire Department shall have the power and authority of a police officer to issue uniform traffic citations for a violation of any of the provisions of this section.

(9) *Appeals.* Notwithstanding the provisions of section 111 of this code, the following shall be the method of appeal from any decision of the Building Board of Appeals as it may pertain to this section:

If any land owner is aggrieved by any decision as to the establishment of fire lanes, he or she shall, within 30 days of the date of mailing of the fire lane establishment notice as provided for in subsection (c) hereof, or within 30 days of the denial of a petition to establish a fire lane, file with the Board of Appeals a written exception to such decision, together with his or her reasons for the same.

During the next scheduled meeting of the Board of Appeals, or a special meeting set for hearing the exception, it shall, after consideration of the reasons for the exception, affirm, modify or rescind its original decision.

Section 503.7 Permitted parking. The fire code official may grant permission for parking of certain vehicles, objects or trailers in designated fire lanes for limited periods where such parking will not interfere with the use of the fire lane by emergency vehicles. Whenever such permission is granted, a record of the same shall be kept by the Fire Department. In conjunction with such permission, the Department shall furnish a sign to be posted conspicuously on the vehicle, object or trailer stating that permission to so park has been granted and stating the duration that it may remain so parked.

Section 503.7.1 Violation. A person who violates Section 503 is responsible for

a municipal civil infraction, subject to the following fine, or as established by City Council Resolution. Within a 12-month period:

1. For a first offense, a fine of $100.00.
2. For a second offense, a fine of $300.00.
3. For a third or subsequent offense, a fine of $500.00.

SECTION 4. ALL OTHER INTERNATIONAL FIRE CODE PROVISIONS.

All other provisions of the International Fire Code not specifically amended herein shall remain as printed in said Code.

SECTION 5. SAVINGS CLAUSE.

All proceedings pending and all rights and liabilities existing or incurred at the time this amendatory Ordinance takes effect are saved and may be consummated according to the law enforced when they were commenced. This amendatory Ordinance shall not be construed to affect any prosecution pending or initiated before the effective date of this amendatory Ordinance for an offense committed before that date.

SECTION 6. CONFLICTING ORDINANCES REPEALED.

Except as to prosecution and legal actions pending and saved pursuant to Section 5 above, any Charlotte City Ordinances or parts of Ordinances, including but not limited to Code Sections 30-26, 30-27, 30-28, and 30-29 in conflict with or inconsistent with any of the provisions of this Ordinance and prior editions of the International Fire Code, as amended hereby, are repealed.

SECTION 7. SEVERABILITY.

If any section, paragraph, clause, phrase or part of this Ordinance is held invalid by any court of competent jurisdiction or any agency, department or commission empowered by statute for such purposes, such decision shall not affect the validity of the remaining provisions of this Ordinance, and the application of those provisions to any person or circumstance shall not be affected thereby.

SECTION 8. EFFECTIVE DATE.

This Ordinance shall become effective twenty (20) days after its adoption by the Charlotte City Council.

SECTION 9. CODE EDITS.

The editors of the Charlotte City Code are hereby authorized, subject to approval of the City Manager, or designee, to update and revise code section numbers to effectuate the provisions of this Ordinance.

Introduced by the Charlotte City Council this December 08, 2025.

Motion by: Fulleton

Second by: Scott

Ayes: 6

Nays: 0

Absent: 0

Adopted by the Charlotte City Council this _____ day of _____, 2025.

Motion by

Second by

Ayes:

Nays:

Absent:

Approved:

_____

Kevin Fullerton, Mayor

I, Mikayla Middaugh, Deputy City Clerk, certify this is Ordinance No. 2025-09 adopted by the Charlotte City Council at a meeting held on the _____ day of _____, 2026, a meeting held according to the Open Meetings Act, Public Act No. 267 of 1976, as amended. I further certify Ordinance No. 2025-09 was published in the _____, a newspaper of general circulation in the City of Charlotte, the _____ day of _____, 2026, subsequent to its adoption.

_____

Mikayla Middaugh, Deputy City Clerk

Introduced: December 08, 2025

Public Hearing:
Adopted:
Published:
Effective: