

**PUBLIC LIBRARY OF CHARLOTTE
AND MECKLENBURG COUNTY**
(A Component Unit of
Mecklenburg County, North Carolina)

BASIC FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 2025

And Report of Independent Auditor

PUBLIC LIBRARY OF CHARLOTTE AND MECKLENBURG COUNTY
(A Component Unit of Mecklenburg County, North Carolina)
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Report of Independent Auditor

To the Board of Trustees
Public Library of Charlotte and Mecklenburg County
Charlotte, North Carolina

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the Public Library of Charlotte and Mecklenburg County (the "Library"), a component unit of Mecklenburg County, North Carolina, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Library'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 and each major fund of the Library, as of June 30, 2025, and the respective changes in financial position and the respective budgetary comparison for the General Fund and Special Revenue Fund 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 Library and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 14 to the financial statements, the Library adopted the provisions of Governmental Accounting Standards Board Statement No. 101, *Compensated Absences*. As a result, net position has been restated. Furthermore, Note 14 describes the Library restated the fund balance of the Library Foundation Fund to correct an error. Our opinion is not modified with respect to these matters.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Library'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 Library'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 Library's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 23, 2025, on our consideration of the Library'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 Library'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 Library's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Cherry Bekaert LLP". The script is cursive and fluid, with the letters "Cherry" and "Bekaert" written in a connected style, and "LLP" in a slightly more formal, upright script.

Charlotte, North Carolina
October 23, 2025

PUBLIC LIBRARY OF CHARLOTTE & MECKLENBURG COUNTY
(A Component Unit of Mecklenburg County, North Carolina)
MANAGEMENT’S DISCUSSION AND ANALYSIS

JUNE 30, 2025

Introduction

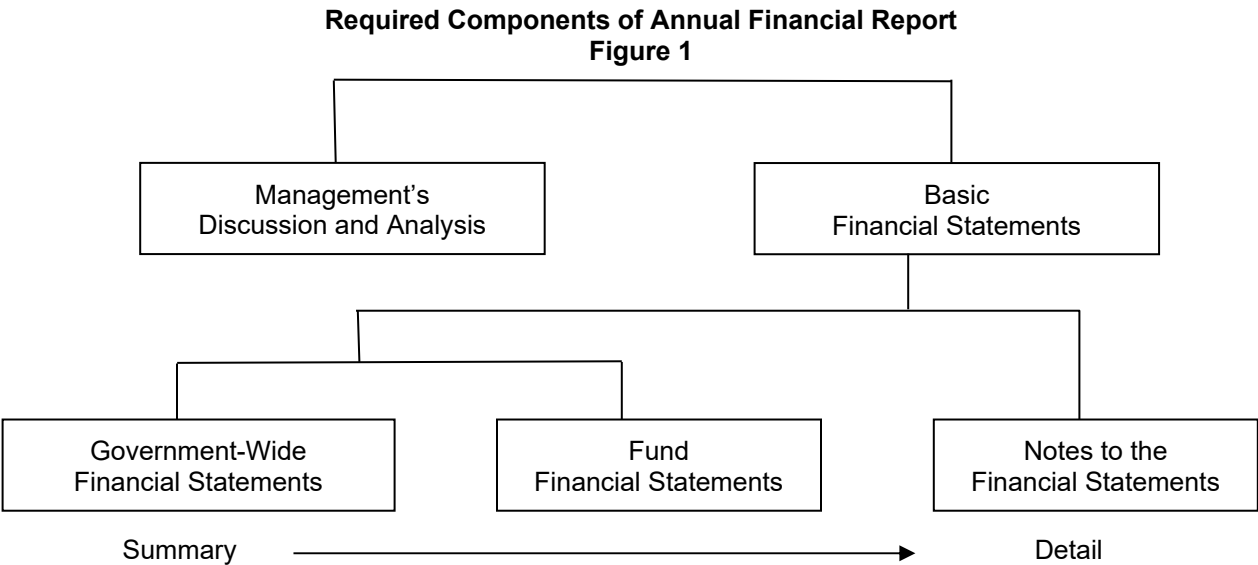
As management of the Public Library of Charlotte and Mecklenburg County (the “Library”), we offer readers of the Library’s financial statements this narrative overview and analysis of the financial activities of the Library for the fiscal year ended June 30, 2025. We encourage readers to read the information presented here in conjunction with additional information furnished in the Library’s financial statements, which follow this narrative.

Financial Highlights

- Library assets and deferred outflows exceeded liabilities and deferred inflows at the close of the fiscal year by \$195.8 million (net position).
- The Library Foundation Fund’s contributions and grants including cash donations and pledges for the year totaled \$7.2 million benefiting the Library.
- At the close of the fiscal year, the Library’s portion of fund balance available for future use was \$7.4 million.
- The operating budget from the Library’s largest revenue source (Mecklenburg County) increased 3.0% from the prior year.
- Total actual revenues increased 64.2% for fiscal year ended June 30, 2025, which was primarily related to capital project funding as Main Library is being constructed and the University City branch relocated to a new building.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the Library’s basic financial statements. The Library’s basic financial statements consist of three components; 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements (see Figure 1). The basic financial statements present two different views of the Library through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader’s understanding of the financial condition of the Library.



PUBLIC LIBRARY OF CHARLOTTE & MECKLENBURG COUNTY
(A Component Unit of Mecklenburg County, North Carolina)
MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2025

Basic Financial Statements

The first two statements (pages 12 and 13) in the basic financial statements are the Government-Wide Financial Statements. They provide both short and long-term information about the Library's financial status.

The next statements (pages 14 through 19) are Fund Financial Statements. These statements focus on the activities of the individual parts of the Library's activities. These statements provide more detail than the government-wide statements. There are two parts to the Fund Financial Statements: 1) the governmental funds statements and 2) the budgetary comparison statements.

The next section of the basic financial statements is the notes. The notes to the financial statements explain in detail some of the data contained in those statements.

Following the notes is the required supplementary information. This section contains funding information about the Library's other postemployment benefit plan and the Library's participation in the Local Government Employees' Retirement System. Accompanying information is also provided to show details about the Library's governmental funds.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide the reader with a broad overview of the Library's finances, similar in format to a financial statement of a private-sector business. The government-wide statements provide short and long-term information about the Library's financial status as a whole.

The two government-wide statements report the Library's net position and how it has changed. Net position is the difference between the Library's total assets plus deferred outflows and total liabilities plus deferred inflows. While total net position would normally reflect the financial position of a government entity, the Library does not include debt associated with the acquisition of land and buildings as, in accordance with North Carolina statutes, Mecklenburg County issues debt for the Library's capital purposes. The Library does not record the long-term liability for debt issued by Mecklenburg County as it is not the obligor on the debt. The Library relies on Mecklenburg County to handle the debt associated with the acquisition and/or construction of capital facilities.

The government-wide statements consist only of governmental activities as the Library does not have any business-type activities or discretely presented component units. The governmental activities include most of the Library's basic services, such as general public service and programming. Mecklenburg County's annual appropriation finances most of these activities.

The government-wide financial statements are on pages 12 and 13 of this report.

PUBLIC LIBRARY OF CHARLOTTE & MECKLENBURG COUNTY
(A Component Unit of Mecklenburg County, North Carolina)
MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2025

Fund Financial Statements

The fund financial statements, on pages 14 through 19 of this report, provide a more detailed look at the Library's most significant activities. 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 Library, like all other governmental entities in North Carolina, uses fund accounting to ensure and reflect compliance with finance related legal requirements, such as the General Statutes or the Library's budget ordinance. The Library has only one fund type, the governmental funds.

Governmental Funds – Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. These funds focus on how assets can readily be converted into cash flow in and out, and what monies are left at year-end that will be available for spending next year. Governmental funds are reported using an accounting method called *modified accrual accounting*. This method also has a current financial resource focus. As a result, the governmental fund financial statements give the reader a detailed, short-term view that helps him or her determine if there are more or less financial resources available to finance the Library's programs. The relationship between government activities (reported in the statement of net position and the statement of activities) and governmental funds is described in a reconciliation that is part of the fund financial statements.

The Library adopts an annual budget for its General Fund and one of its Special Revenue Funds, as required by the General Statutes. The budget is a legally adopted document that incorporates input from the citizens of the Mecklenburg County through the Mecklenburg County's budget process, the management of the Library, and the decisions of the Library Board of Trustees about which services to provide and how to pay for them. It also authorizes the Library to obtain funds from identified sources to finance these current period activities. The budgetary statements provided for the General Fund and the Special Revenue Fund demonstrate how well the Library complied with the budget ordinance. The budgetary comparison statements use the budgetary basis of accounting and are presented using the same format, language, and classifications as the legal budget document. The statement shows four columns: 1) the original budget as adopted by the Board of Trustees; 2) the final budget, as amended by the Board; 3) the actual resources, charges to appropriations, and ending balances in the General Fund and Special Revenue Fund; and 4) the difference or variance between the final budget and the actual resources and charges. The Library Foundation is not required by law to adopt a budget.

Notes to 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. The notes to the financial statements appear on pages 20 through 39 of this report.

PUBLIC LIBRARY OF CHARLOTTE & MECKLENBURG COUNTY
(A Component Unit of Mecklenburg County, North Carolina)
MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2025

Government-Wide Financial Analysis

As noted earlier, the Library does not issue debt for land or construction of capital facilities. The Library's net position increased by \$59.3 million for the fiscal year ended June 30, 2025. The largest portion of net position, totaling \$233.0 million is the Library's investment in capital assets (books, land, equipment, right-of-use lease assets, subscription-based IT arrangements ("SBITA"), and buildings), less any amounts remaining to acquire those items. The Library uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Library's investment in its capital assets is reported net of the outstanding related debt, much of the debt is handled by Mecklenburg County except for the Library's lease liability and SBITA liability. An additional portion of the Library's net position of \$34.7 million represents resources that are subject to restrictions on how they may be used. The remaining deficit of (\$71.9) million is unrestricted. The deficit is related to the Library's proportionate share of the Local Government Employees' pension expense and Other Postemployment Benefits ("OPEB") expenses.

Public Library of Charlotte and Mecklenburg County's Net Position
Condensed and Rounded to Nearest Thousand (000)
Figure 2

	Government-Wide June 30, 2025	Government-Wide June 30, 2024
Assets		
Current assets	\$ 30,329	\$ 17,415
Pledges receivable, current	4,606	7,659
Pledges receivable, noncurrent	2,417	5,286
Investments	11,211	45,029
Capital assets, net of accumulated depreciation and amortization	249,376	167,549
Total Assets	297,939	242,937
Deferred outflows of resources	10,801	13,470
Liabilities		
Current and other liabilities	9,762	10,131
Long-term liabilities	97,064	94,799
Total Liabilities	106,826	104,930
Deferred inflows of resources	6,134	11,446
Net Position		
Net investment in capital assets	232,951	150,508
Restricted	32,261	62,081
Unrestricted	(69,432)	(72,558)
Total Net Position	\$ 195,780	\$ 140,031

PUBLIC LIBRARY OF CHARLOTTE & MECKLENBURG COUNTY
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MANAGEMENT'S DISCUSSION AND ANALYSIS

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Public Library of Charlotte and Mecklenburg County's Changes in Net Position
Condensed and Rounded to Nearest Thousand (000)
Figure 3

	Government-Wide June 30, 2025	Government-Wide June 30, 2024
Revenues		
Program Revenues:		
Charges for services	\$ 627	\$ 541
Operating grants and contributions	2,433	2,184
Capital grants and contributions	87,215	29,771
General Revenues:		
Mecklenburg County appropriation	52,130	50,622
City of Charlotte appropriation	3	3
Investment earnings	2,538	2,708
Contributions to the Foundation	4,396	5,056
ABC Board contribution	931	1,104
Other income	967	816
Total Revenues	<u>151,240</u>	<u>92,805</u>
Program Expenses		
General public services	90,416	55,518
Program/Outreach services	748	890
Printing and copying services	218	280
Interest on long-term debt	564	583
	<u>91,946</u>	<u>57,271</u>
Change in net position	59,294	35,534
Net position, beginning of year, as restated	<u>136,486</u>	<u>104,497</u>
Net position, end of year	<u>\$ 195,780</u>	<u>\$ 140,031</u>

Net position increased by \$59.3 million primarily due to capital project funding as Main Library is being constructed and the University City branch relocated to a new building. The Main Library project is a public-private partnership with a total budget of over \$137 million. Mecklenburg County will contribute \$72 million and the Library Foundation will raise \$65 million in private support. The Main Library will be a major destination in Uptown Charlotte; a free, open, and accessible information hub for Mecklenburg County. The projected opening of the facility is early 2027.

PUBLIC LIBRARY OF CHARLOTTE & MECKLENBURG COUNTY
(A Component Unit of Mecklenburg County, North Carolina)
MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2025

Financial Analysis of the Library's Funds

As noted earlier, the Library uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. The Library's governmental fund types are comprised of the general fund, special revenue funds, and capital project funds.

Revenues from intergovernmental sources comprise 92.5% of total revenues received during the Library's fiscal year ended June 30, 2025, as compared to 90.2% for fiscal year ended June 30, 2024. Mecklenburg County, the City of Charlotte, and the ABC Board comprise 91.0% of total revenues as of June 30, 2025, as compared to 86.8% for the fiscal year ended June 30, 2024. The state of North Carolina and Federal Revenue Sources totaled 1.6%, primarily related to the Library's Digital Literacy project using American Rescue Plan Act ("ARPA") funding. Revenues generated through fees, charges for services, and grants used to cover services account for 0.4% of total revenue for June 30, 2025. E-Rate reimbursement accounted for 0.1% of total revenues. Investment earnings decreased \$0.2 million from the prior year due to market conditions in fiscal year 2025 versus fiscal year 2024.

Governmental funds expenditures were primarily comprised of the following: Personnel, 21.7%, Library Collections (books, videos, software for public use, etc.) 4.2%; General Operations, 24.4%; and Capital Projects 49.7%. General Operations expenditures are higher in fiscal year 2025 as the Library's first expenditure of private funds (\$32 million) to Mecklenburg County in support of Main Library construction was completed. Capital Project expenditures are higher in fiscal year 2025 largely due to the construction of Main Library and the University City branch relocating to a new building.

General Fund Budgetary Highlights

The Library's annual balanced budget is prepared on the modified accrual basis of accounting in accordance with the Budget and Fiscal Control Act of North Carolina General Statutes. The General Fund is the most significant fund budgeted.

During the course of fiscal year, the Library amended the General Fund budget to reflect current circumstances. The Library Director is authorized to transfer budget amounts up to \$25,000 without formal approval from the Library's Board of Trustees; and budget transfers over \$25,000 require Board approval. The General Fund, as the primary fund supporting the majority of activities of the Library, is monitored by the Finance Director for any shortfalls of revenue or overspending of the budget. Purchase orders are pre-audited to ensure availability of funds for payment when goods or services are delivered.

Adjustments to increase original budgeted revenues for 2025 totaled \$5.2 million, primarily driven by Mecklenburg County contributions related to Library salary costs, in-kind facility maintenance costs, and in-kind security related expenditures.

PUBLIC LIBRARY OF CHARLOTTE & MECKLENBURG COUNTY
(A Component Unit of Mecklenburg County, North Carolina)
MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2025

Capital Assets

The Library's investment in capital assets net of accumulated depreciation for governmental activities as of June 30, 2025 and 2024 is \$249.4 million and \$167.5 million, respectively. Capital assets include land, buildings and buildings improvements, books, furniture and fixtures, right-of-use lease assets, subscription-based IT arrangements, and construction in progress.

Capital Assets, Net of Accumulated Depreciation

Capital Assets, Net of Accumulated Depreciation

	Government-Wide Activities June 30, 2025	Government-Wide Activities June 30, 2024
Land	\$ 13,523	\$ 13,523
Buildings and building improvements	113,440	78,437
Books	6,073	5,208
Furniture and equipment	3,593	2,543
Intangible assets	6,565	5,170
Subscription-based IT arrangements	1,165	943
Right-of-use lease assets	14,123	15,249
Leasehold Improvements	969	1,067
Construction in progress	89,925	45,409
	<u>\$ 249,376</u>	<u>\$ 167,549</u>

Fiscal Year 2026 Economic Conditions

As of the issuance of these financial statements, management is aware of several facts and decisions expected to have a material effect on the Library's financial position and operations in fiscal year 2026:

- The Library's fiscal year 2026 budget totals approximately \$55.7 million, an increase of 4.1% from fiscal year 2025, with \$51.2 million provided by Mecklenburg County. The budget was approved by the Library Board of Trustees on June 19, 2025.
- Funding has been allocated for annual employee pay increases and for contractual increases associated with facility leases and insurance.
- Fourteen new positions were approved to address operational demands at branch locations.
- Mecklenburg County will provide expanded security guard services, and the Library will integrate these resources with staff training, facility improvements, and technology.
- Capital project work is advancing for Sugar Creek, West Boulevard, and ImaginOn facilities, with appropriated funding committed through collaboration with County partners.
- A staffing realignment is underway in fiscal year 2026, including the conversion of Limited Part-Time (LPT) positions to regular status and the onboarding of new hires authorized in the budget.

In addition to the currently known impacts noted above, the Library has identified the following enterprise-wide operating priorities and forward-looking initiatives:

- New Main Library – Continue planning and preparation for the opening of the new Main Library in fiscal year 2027. Planning includes identifying and advocating for the resources necessary to operate the new facility, which will be incorporated into the fiscal year 2027 budget process.

PUBLIC LIBRARY OF CHARLOTTE & MECKLENBURG COUNTY
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MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2025

- Supporting the Board of Trustees – Support the Board of Trustees through CEO recruitment, establishment of the Advocacy Committee, and advancement of other key priorities.
- Intellectual Freedom & Policy Monitoring – Engage local, regional, and national audiences to champion intellectual freedom and respond to relevant legislative and policy developments in public libraries everywhere, and in Mecklenburg County specifically, including responsive action regarding all legislative and policy impacts.
- Programming – Refresh program plan to ensure alignment with strategic direction and incorporate other changes, such as major initiative shifts, strategic data coordination, and re-visioning work to be done in Teen Services.
- Community Partnerships – Evaluate and deepen existing relationships with community partners and create new ones that will strengthen engagement, support economic opportunities and connect community resources.
- Learning & Development – Advance and expand Learning and Development efforts with a focus on high-impact priorities, including ongoing manager and supervisor development, 2025 critical compliance training, enhanced new hire onboarding, and accessible, relevant learning opportunities for all staff
- Volunteers – Maximize the success of the system's volunteer program through integration of new software and evolution of practices.
- Racial Equity Task Force – Design and launch an internal dashboard and prioritization matrix—grounded in the Racial Equity Task Force (RETF) framework—to track, update, and communicate the status of racial equity strategies and actions across the system.

Request for Information

This report is designed to provide an overview of the Library's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should contact the Chief Finance and Administration Officer, Public Library of Charlotte and Mecklenburg County, 510 Stitt Road, Charlotte, North Carolina 28213.

PUBLIC LIBRARY OF CHARLOTTE & MECKLENBURG COUNTY
(A Component Unit of Mecklenburg County, North Carolina)
STATEMENT OF NET POSITION

JUNE 30, 2025

	Governmental Activities
ASSETS	
Current Assets:	
Cash and cash equivalents	\$ 28,857,714
Refundable sales tax	592,420
Other receivables	671,770
Pledges receivable, current	4,606,170
Prepays	206,297
Total Current Assets	<u>34,934,371</u>
Noncurrent Assets:	
Pledges receivable, noncurrent	2,416,608
Restricted long-term investments	11,211,266
	<u>13,627,874</u>
Capital Assets:	
Land and other non-depreciable assets	103,448,079
Depreciable capital assets, net of depreciation	130,640,346
Subscription-based IT arrangements, net of amortization	1,164,509
Right-of-use lease assets, net of amortization	14,123,447
Capital Assets, net	<u>249,376,381</u>
Total Assets	<u>297,938,626</u>
DEFERRED OUTFLOWS OF RESOURCES:	
Contributions to pension plan subsequent to the measurement date	3,465,747
Contributions to OPEB plan subsequent to the measurement date	1,130,323
Pension related deferrals	5,628,086
OPEB related deferrals	577,669
Total Deferred Outflows of Resources	<u>10,801,825</u>
LIABILITIES	
Current Liabilities:	
Accounts payable - trade	146,906
Other payables	1,335,725
Due to other governmental agencies	4,184,228
Current portion of compensated absences	2,554,454
Current portion of SBITA liability	270,651
Current portion of lease liability	1,270,413
Total Current Liabilities	<u>9,762,377</u>
Long-Term Liabilities:	
Compensated absences	4,600,969
SBITA liability	803,124
Lease liability	14,080,785
Total OPEB liability	59,836,976
Net pension liability	17,741,394
Total Liabilities	<u>106,825,625</u>
DEFERRED INFLOWS OF RESOURCES	
OPEB related deferrals	5,448,247
Pension related deferrals	106,635
Lease deferrals	579,568
Total Deferred Inflows of Resources	<u>6,134,450</u>
NET POSITION	
Net investment in capital assets	232,951,408
Restricted For:	
Grants	101,085
Programming	275,453
Stabilization by state statute	2,175,551
Facility enhancements	1,093,244
Contributions held by the Foundation	23,129,309
Endowment funds held by the Foundation	5,486,372
Unrestricted deficit	(69,432,046)
Total Net Position	<u>\$ 195,780,376</u>

The accompanying notes to the financial statements are an integral part of these statements.

PUBLIC LIBRARY OF CHARLOTTE AND MECKLENBURG COUNTY
(A Component Unit of Mecklenburg County, North Carolina)
STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2025

Functions/Programs	Expenses	Program Revenues			Governmental Activities
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary Government:					
Governmental Activities:					
General public services	\$ 90,415,658	\$ 384,317	\$ 2,432,451	\$ 87,215,371	\$ (383,519)
Program/outreach services	748,252	-	-	-	(748,252)
Printing and copying services	218,081	242,839	-	-	24,758
Interest on long-term debt	563,720	-	-	-	(563,720)
Total Governmental Activities	<u>\$ 91,945,711</u>	<u>\$ 627,156</u>	<u>\$ 2,432,451</u>	<u>\$ 87,215,371</u>	<u>(1,670,733)</u>
General Revenues:					
Mecklenburg County appropriation					52,129,800
City of Charlotte appropriation					2,500
Contributions to the Foundation					4,396,161
Investment earnings to the Foundation					2,538,193
ABC Board contribution					930,883
Other income					967,395
Total General Revenues					<u>60,964,932</u>
Change in net position					59,294,199
Net position, beginning of year, as previously reported					140,030,832
Restatements (see Note 14)					(3,544,655)
Net position, beginning of year, as restated					<u>136,486,177</u>
Net position, end of year					<u>\$ 195,780,376</u>

The accompanying notes to the financial statements are an integral part of these statements.

PUBLIC LIBRARY OF CHARLOTTE AND MECKLENBURG COUNTY
(A Component Unit of Mecklenburg County, North Carolina)
BALANCE SHEET – GOVERNMENTAL FUNDS

JUNE 30, 2025

	General Fund	Special Revenue Fund	Library Foundation Fund	Capital Projects Fund	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 14,621,441	\$ 1,074,018	\$ 13,162,255	\$ -	\$ 28,857,714
Refundable sales tax	441,226	151,194	-	-	592,420
Other receivables	279,389	392,381	-	-	671,770
Prepays	183,777	22,520	-	-	206,297
Pledges receivable, current	-	-	4,606,170	-	4,606,170
Pledges receivable, noncurrent	-	-	2,416,608	-	2,416,608
Long-term investments	-	-	11,211,266	-	11,211,266
Total Assets	15,525,833	1,640,113	31,396,299	-	48,562,245
LIABILITIES DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable - trade	119,845	27,061	-	-	146,906
Other payables	953,385	-	382,340	-	1,335,725
Due to other governmental agency	4,184,228	-	-	-	4,184,228
Total Liabilities	5,257,458	27,061	382,340	-	5,666,859
Unavailable resources	-	-	2,416,608	-	2,416,608
Deferred lease revenue	579,568	-	-	-	579,568
Total Deferred Inflows of Resources	579,568	-	2,416,608	-	2,996,176
Fund Balances:					
Non-Spendable Fund Balance:					
Prepaid expenses	183,777	22,520	-	-	206,297
Endowments held by the Foundation	-	-	5,486,372	-	5,486,372
Restricted Fund Balance:					
Grants	-	101,085	-	-	101,085
Programming	-	275,453	-	-	275,453
Stabilization by State Statute	1,571,976	603,575	-	-	2,175,551
Facility enhancements	-	1,093,244	-	-	1,093,244
Contributions held by the Foundation	-	18,330	23,110,979	-	23,129,309
Unassigned fund balance (deficit)	7,933,054	(501,155)	-	-	7,431,899
Total Fund Balances	9,688,807	1,613,052	28,597,351	-	39,899,210
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 15,525,833	\$ 1,640,113	\$ 31,396,299	\$ -	\$ 48,562,245

The accompanying notes to the financial statements are an integral part of these statements.

PUBLIC LIBRARY OF CHARLOTTE AND MECKLENBURG COUNTY
(A Component Unit of Mecklenburg County, North Carolina)
RECONCILIATION OF THE FUND BALANCE OF GOVERNMENTAL
FUNDS TO NET POSITION OF GOVERNMENTAL ACTIVITIES

JUNE 30, 2025

Amounts reported for governmental activities in the statement of net position are different because:

Ending fund balance - governmental funds	\$ 39,899,210
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
Cost of Capital Assets:	
Tangible assets	301,896,073
Right-of-use lease assets	18,486,731
Right-of-use subscription-based IT arrangements	1,877,304
Accumulated depreciation	(58,550,224)
Accumulated amortization	(14,333,503)
Contributions to the pension plan in the current fiscal year are not included in the outflows of resources on the statement of net position.	3,465,747
Benefit payments to OPEB plan in the current fiscal year are deferred outflows of resources on the statement of net position.	1,130,323
Other pension related deferrals in the current fiscal year are deferred outflows and inflows of resources on the statement of net position.	5,521,451
Other OPEB related deferrals in the current fiscal year are deferred outflows of resources on the statement of net position.	(4,870,578)
Unavailable resources that are a deferred inflow of resources at the fund level and that are recognized as revenue under full accrual accounting	2,416,608
Long-term liabilities that are not due and payable in the current period and, therefore, are not reported in the funds.	
Lease liability	(15,351,198)
SBITA liability	(1,073,775)
Compensated absences	(7,155,423)
Total OPEB liability	(59,836,976)
Net pension liability	(17,741,394)
Net Position of Governmental Activities	<u><u>\$ 195,780,376</u></u>

The accompanying notes to the financial statements are an integral part of these statements.

PUBLIC LIBRARY OF CHARLOTTE AND MECKLENBURG COUNTY

(A Component Unit of Mecklenburg County, North Carolina)

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
GOVERNMENTAL FUNDS**

YEAR ENDED JUNE 30, 2025

	General Fund	Special Revenue Fund	Library Foundation Fund	Capital Projects Fund	Total Governmental Funds
Revenues					
Intergovernmental:					
Mecklenburg County Operations	\$ 48,951,546	\$ -	\$ -	\$ -	\$ 48,951,546
Amounts paid on behalf by					
Mecklenburg County	3,178,254	-	-	87,215,371	90,393,625
ABC Board	930,883	-	-	-	930,883
City of Charlotte	2,500	-	-	-	2,500
North Carolina	-	844,346	-	-	844,346
Federal	-	1,569,494	-	-	1,569,494
Total Intergovernmental Revenues	53,063,183	2,413,840	-	87,215,371	142,692,394
Fees	627,156	-	-	-	627,156
E-Rate reimbursement	96,206	-	-	-	96,206
Contributions	-	44,247	7,221,377	-	7,265,624
Investment income, net	-	-	2,538,193	-	2,538,193
Other income	967,395	-	-	-	967,395
Total Revenues	54,753,940	2,458,087	9,759,570	87,215,371	154,186,968
Expenditures					
Current:					
Salaries and benefits	37,833,579	810,693	-	-	38,644,272
Library collection	5,621,680	1,783,710	-	-	7,405,390
Facility related	4,403,768	19,110	32,000,000	-	36,422,878
Programming	422,482	325,770	-	-	748,252
Technology and equipment	522,960	313,199	-	-	836,159
Professional services	398,424	142,993	-	-	541,417
Personnel related	1,438,550	61,995	-	-	1,500,545
Miscellaneous	621,333	540,636	315,927	-	1,477,896
Capital Outlay	1,138,803	222,487	-	87,215,371	88,576,661
Debt Services:					
Principal	1,681,409	-	-	-	1,681,409
Interest	563,720	-	-	-	563,720
Total Expenditures	54,646,708	4,220,593	32,315,927	87,215,371	178,398,599
Excess (Deficiency) of Revenues Over (Under) Expenditures	107,232	(1,762,506)	(22,556,357)	-	(24,211,631)
Other Financing Sources (Uses):					
Interfund transfer in	-	1,797,917	-	-	1,797,917
Interfund transfer out	-	-	(1,797,917)	-	(1,797,917)
SBITA liabilities issued	714,724	-	-	-	714,724
Lease liabilities issued	350,348	-	-	-	350,348
Total Other Financing Sources(Uses)	1,065,072	1,797,917	(1,797,917)	-	1,065,072
Net Change in Fund Balances	1,172,304	35,411	(24,354,274)	-	(23,146,559)
Fund Balance, Beginning, As Previously Reported	8,516,503	1,577,641	58,237,696	-	68,331,840
Prior Period Restatement - Error Correction	-	-	(5,286,071)	-	(5,286,071)
Fund Balance, Beginning, As Restated	8,516,503	1,577,641	52,951,625	-	63,045,769
Fund Balance, End of Year	\$ 9,688,807	\$ 1,613,052	\$ 28,597,351	\$ -	\$ 39,899,210

The accompanying notes to the financial statements are an integral part of these statements.

PUBLIC LIBRARY OF CHARLOTTE AND MECKLENBURG COUNTY**(A Component Unit of Mecklenburg County, North Carolina)****RECONCILIATION OF THE NET CHANGE IN FUND BALANCES OF GOVERNMENTAL FUNDS TO CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES***YEAR ENDED JUNE 30, 2025*

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds	\$	(23,146,559)
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Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful life:

Capital Outlay:

Tangible assets	92,391,813
Right-of-use subscription-based IT arrangements	714,724
Right-of-use lease assets	350,348
Less current year depreciation	(6,755,597)
Less current year amortization	(3,783,758)
Loss on disposal of capital assets	(1,090,000)

Contributions to the pension plan in the current fiscal year are not included in the statement of activities.	3,465,747
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Benefit payments to OPEB plan in the current fiscal year statement of activities.	1,130,323
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Resources recognized as revenue when available in the current year at the fund level that were already recognized as revenue in the prior year.	(77,595)
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Recognition of resources received outside of availability criteria at the fund level.	(2,869,463)
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The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.

New long-term debt issued	(1,065,072)
Principal payments on long-term debt	1,681,409

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds:

Compensated absences in excess of benefits used over current provision	(588,761)
OPEB expense	4,317,030
Pension expense	(5,380,390)
Change in Net Position of Governmental Activities	<u>\$ 59,294,199</u>

The accompanying notes to the financial statements are an integral part of these statements.

PUBLIC LIBRARY OF CHARLOTTE AND MECKLENBURG COUNTY

(A Component Unit of Mecklenburg County, North Carolina)

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
(NON-GAAP) BUDGET AND ACTUAL – GENERAL FUND**

YEAR ENDED JUNE 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental:				
Mecklenburg County Operations	\$ 47,865,842	\$ 49,330,842	\$ 48,951,546	\$ (379,296)
Amounts paid on behalf by				
Mecklenburg County	-	3,700,000	3,178,254	(521,746)
ABC Board	930,883	930,883	930,883	-
City of Charlotte	2,500	2,500	2,500	-
Total Intergovernmental Revenues	48,799,225	53,964,225	53,063,183	(901,042)
Fees	480,000	480,000	627,156	147,156
E-Rate reimbursement	101,963	101,963	96,206	(5,757)
Other	677,000	677,000	967,395	290,395
Total Revenues	50,058,188	55,223,188	54,753,940	(469,248)
Expenditures				
Current:				
Salaries and benefits	36,499,578	37,934,541	37,833,579	100,962
Library collection	5,792,438	6,335,890	5,621,680	714,210
Facility related	2,383,862	4,837,359	4,403,768	433,591
Programming	424,732	426,773	422,482	4,291
Technology and equipment	577,377	606,954	522,960	83,994
Professional services	237,500	463,180	398,424	64,756
Personnel related	321,600	1,721,656	1,438,550	283,106
Miscellaneous	1,426,073	1,246,598	621,333	625,265
Capital Outlay	49,899	73,751	73,731	20
Debt Services:				
Principal	1,681,409	1,681,409	1,681,409	-
Interest	563,720	563,720	563,720	-
Total Expenditures	49,958,188	55,891,831	53,581,636	2,310,195
Excess (Deficiency) of Revenues Over (Under) Expenditures	100,000	(668,643)	1,172,304	1,840,947
Other Financing Sources (Uses):				
Interfund transfer in	(100,000)	(100,000)	-	100,000
Fund balance appropriated	-	768,643	-	(768,643)
Total Other Financing Sources (Uses)	(100,000)	668,643	-	(668,643)
Net Change in Fund Balances	\$ -	\$ -	1,172,304	\$ 1,172,304
Fund Balance, Beginning of Year			8,516,503	
Fund Balance, End of Year			<u>\$ 9,688,807</u>	

The following table presents a reconciliation of resulting basis differences in the fund balance (budgetary basis) at June 30, 2025 to the fund balance on a modified accrual basis (GAAP):

Fund Balance (Non-GAAP) June 30, 2025	\$ 9,688,807
Reconciling Adjustments:	
Other Financing Sources (Uses)	1,065,072
Lease and SBITA Capital Outlay	(1,065,072)
Fund Balance (GAAP Basis) June 30, 2025	<u>\$ 9,688,807</u>

The accompanying notes to the financial statements are an integral part of these statements.

PUBLIC LIBRARY OF CHARLOTTE AND MECKLENBURG COUNTY**(A Component Unit of Mecklenburg County, North Carolina)****STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
(NON-GAAP) BUDGET AND ACTUAL – SPECIAL REVENUE FUND***YEAR ENDED JUNE 30, 2025*

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental:				
North Carolina	\$ 794,296	\$ 791,226	\$ 844,346	\$ 53,120
Federal	1,322,823	1,322,823	1,569,494	246,671
Total Intergovernmental Revenues	2,117,119	2,114,049	2,413,840	299,791
Contributions	105,432	146,527	44,247	(102,280)
Total Revenues	2,222,551	2,260,576	2,458,087	197,511
Expenditures				
Current:				
Salaries and benefits	1,583,800	1,419,794	810,693	609,101
Library collection	1,419,397	1,796,398	1,783,710	12,688
Facility related	24,000	19,193	19,110	83
Programming	1,178,339	884,894	325,770	559,124
Technology and equipment	175,298	320,143	313,199	6,944
Professional services	449,157	406,332	142,993	263,339
Personnel related	90,747	88,775	61,995	26,780
Miscellaneous	716,307	837,813	540,636	297,177
Capital outlay	58,833	227,025	222,487	4,538
Total Expenditures	5,695,878	6,000,367	4,220,593	1,779,774
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,473,327)	(3,739,791)	(1,762,506)	1,977,285
Other Financing Sources (Uses):				
Interfund transfer in	2,900,293	3,250,565	1,797,917	(1,452,648)
Fund balance appropriated	573,034	489,226	-	(489,226)
Total Other Financing Sources (Uses)	3,473,327	3,739,791	1,797,917	(1,941,874)
Net Change in Fund Balances	\$ -	\$ -	35,411	\$ 35,411
Fund Balance, Beginning of Year			1,577,641	
Fund Balance, End of Year			\$ 1,613,052	

The accompanying notes to the financial statements are an integral part of these statements.

PUBLIC LIBRARY OF CHARLOTTE AND MECKLENBURG COUNTY
(A Component Unit of Mecklenburg County, North Carolina)
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025

Note 1—Reporting entity and summary of significant accounting policies

Reporting Entity – The Public Library of Charlotte & Mecklenburg County (the “Library”) is a public library formed in 1902 by charter granted by the state of North Carolina. The Library is a component unit of Mecklenburg County and is included in Mecklenburg County’s basic financial statements. Mecklenburg County has historically provided approximately 85% to 90% of the Library’s general funding and appoints a majority of the 11-member Library Board of Trustees (the “Board”). As required under generally accepted accounting principles (“U.S. GAAP”), these financial statements present the Library and its component unit, the Charlotte Mecklenburg Library Foundation (the “Foundation”), a legally separate entity for which the Library is financially accountable. The Foundation exists solely to provide financial resources to the Library. The Foundation meets the criteria for being a blended component unit based on the criteria that Library and Library personnel below the level of elected official have operational responsibility for its operations.

Government-Wide and Fund Financial Statements – The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all the activities of the Library. For the most part, the effect of interfund activity has been removed from these statements. The Library does not have any *business-type activities* which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operations or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

The Library reports four funds, its general fund, two major special revenue funds, and a capital projects fund.

Government-Wide Financial Statements – The government-wide financial statements are reported using the *economic resources measurement focus and accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the Library gives (or receives) value without directly receiving (or giving) equal value in exchange, include intergovernmental appropriations, grants, and donations. Revenues from intergovernmental appropriations, grants, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements – Governmental funds are reported using the *current financial resources measurement focus and the modified accrual basis of accounting*. Under this method, revenues are recognized when measurable and available. Revenues are *available* when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Library considers revenues to be available if they are collectible within 90 days of the end of the current fiscal period. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Acquisitions under capital leases are reported as other financing sources as are interfund transfers.

PUBLIC LIBRARY OF CHARLOTTE AND MECKLENBURG COUNTY
(A Component Unit of Mecklenburg County, North Carolina)
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025

Note 1—Reporting entity and summary of significant accounting policies (continued)

The Library reports the following major governmental funds:

The *General Fund* is the Library's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. The primary revenue sources are appropriations from Mecklenburg County. The primary expenditures are for personnel, library materials, and maintenance.

The *Special Revenue Fund and Foundation* account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. Generally, proceeds from federal and state grants as well as inter-fund transfers from the Foundation are accounted for in the Library's Special Revenue Funds.

The *Capital Projects Fund* accounts for financial resources to be used for the acquisition or construction of library facilities.

As a rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

For purposes of fund balance classification, expenditures are to be spent from restricted fund balance first, followed in order by committed fund balance, assigned fund balance, and lastly unassigned fund balance.

Budgetary Data – The Library's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund and one Major Special Revenue Fund. The Capital Projects Fund, a multi-year fund, is budgeted by project. For the fiscal year ended June 30, 2025, project budgets totaled \$87,215,371. The Foundation is a non-profit as defined under Internal Revenue Code ("IRC") 501(c)3 and is not required to adopt a budget. All annual appropriations lapse at the fiscal year-end. All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the department level for all annually budgeted funds and at the object level for the multi-year funds. Amendments are required for any revisions which alter total expenditures of any fund or change functional appropriations by more than \$25,000. The governing board must adopt an interim budget which covers that time until the annual ordinance can be adopted if delayed past July 1.

Cash and Cash Equivalents – The Library considers all highly liquid investments, including all certificates of deposit with maturities of three months or less, to be cash equivalents.

Restricted Long-Term Investments – The restricted long-term investments of \$11,211,266 as of June 30, 2025, are those of the Foundation, a blended component unit of the Library. All those investments are held by a third party community foundation. Of those investments, as of June 30, 2025, \$5,486,372 are donor-restricted endowments and the Library has been designated as the beneficiary of the income of those endowments. Under the terms of those endowment agreements, the assets are held by a third party and the annual investment income is distributable to the Library. For the year ended June 30, 2025, the net appreciation on investments of donor-restricted endowments was \$2,538,193 due to market conditions. In some instances, the Library may elect to have the income transferred to the principal of the endowment. These endowments are presented in the Library's non-spendable fund balance. The Foundation has certain investments that are being held to generate future income; therefore, they cannot be converted within a 12-month period.

Other Receivables – Other receivables consist of miscellaneous amounts due from third parties which are all considered collectible within 90 days of year end.

PUBLIC LIBRARY OF CHARLOTTE AND MECKLENBURG COUNTY
(A Component Unit of Mecklenburg County, North Carolina)
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025

Note 1—Reporting entity and summary of significant accounting policies (continued)

Pledges Receivable – Unconditional promises to give that are expected to be collected within one year are recognized at net realizable value. Unconditional promises to give that are expected to be collected in future years are recognized at the present value of estimated, future cash flows. The discounts on those amounts using a risk-adjusted interest rate based on two- and three-year treasury yields is consistent with the average length of outstanding pledges.

Management evaluates pledges receivable for collectability at least annually. The Library provides a provision for losses on uncollectible pledges equal to the estimated uncollectible amounts. Management's estimate is based on historical charge-offs, factors related to the specific donors' ability to pay, donor giving history, and current economic trends. As of June 30, 2025, there is a \$161,586 allowance related to outstanding pledges.

Capital Assets – Capital assets, primarily land, buildings and improvements, furniture and equipment, right-of-use lease assets, and subscription-based IT arrangement ("SBITA") assets, are reported in the government-wide financial statements. Capital assets are defined by the Library as assets with an initial, individual cost of more than \$5,000 and an estimated useful life of more than one year. Purchased or constructed assets are recorded at cost or estimated historical cost. Donated capital assets are recorded at their acquisition value at the date of donation. The Library capitalizes all library books with a useful life greater than one year. The Library has certain books that are considered historical treasures which are not capitalized and are recorded as expenditures in the year of acquisition. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Buildings	40 years
Furniture and equipment	5 – 10 years
Books	3 years
Intangible assets	5 years

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

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

Compensated Absences – Vacation leave is earned by employees each pay period based on years and months of service and is fully vested when earned. Upon termination, an employee will be paid all unused, accumulated vacation up to 240 hours. Employees earn sick leave at a flat rate and there is no limit on accumulation. One-fourth of the unused accumulated sick leave, which is fully vested when earned, is paid to an employee upon termination. The Library accrues a liability for earned leave that carries over to future periods and is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. When determining the liability, the flow assumption of leave is considered taken on a first-in, first-out ("FIFO") basis. For retiring employees, the balance of unpaid sick leave is used in the determination of length of service for retirement purposes.

In addition to vested leave, the Library also recognizes as a liability the portion of leave benefits that is more likely than not to be paid or used. An expense and corresponding liability for compensated absences and related salary payments are recorded as the leave is earned in the government-wide statements. The current portion of this obligation is estimated based on historical usage trends. In the governmental fund financial statements, a liability is recognized only when amounts are due and payable, such as upon employee resignations or retirements.

PUBLIC LIBRARY OF CHARLOTTE AND MECKLENBURG COUNTY
(A Component Unit of Mecklenburg County, North Carolina)
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025

Note 1—Reporting entity and summary of significant accounting policies (continued)

Lease Deferrals – Lease deferral revenue consists of amounts received in advance by the Library from their lessee.

Deferred Outflows/Inflows of Resources – In addition to assets, the statement of financial position will sometimes report a separate section for Deferred Outflows of Resources. This separate financial statement element, Deferred Outflows of Resources, represents a consumption of net assets that applies to a future period and so will not be recognized until then. The Library has two items that meet this criterion – pension related deferrals and OPEB-related deferrals.

In addition to liabilities, the statement of financial position also reports a separate section for Deferred Inflows of Resources. This separate financial statement element, Deferred Inflows of Resources, represents an acquisition of net assets that applies to a future period and so will not be recognized until then. The Library has several items that meets the criterion for this category – lease deferrals, unavailable resources, pension related deferrals, and OPEB related deferrals.

Net Position and Fund Balance – For the government-wide statements, equity is classified as net position and displayed in three components:

Net Investment in Capital Assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any bonds, leases, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted – Consists of net position and fund balance with constraints placed on the use either by: (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments or (2) law through constitutional provisions or enabling legislation.

Unrestricted – All other net position and fund balance that do not meet the definition of “restricted” or “net investment in capital assets”.

For the governmental fund financial statements, fund balance is classified as non-spendable, restricted, committed, assigned, and unassigned.

State law [G.S. 159-13(b)(16)] restricts the appropriation of fund balance for the subsequent year’s budget to an amount not to exceed the sum of cash and investments minus the sum of liabilities, encumbrances, and unearned revenues arising from cash receipts as those amounts stand at the close of the fiscal year preceding the budget year.

Fund balances are classified as follows:

Non-Spendable Fund Balance – Portion of fund balance that cannot be spent because of their form or must be maintained intact:

Prepaid Expenses – Portion of Fund Balance that is not an available resource because it represents expenditures for future periods and is not a spendable resource.

Endowments Held by the Foundation – This represents the principal portion of gifts that cannot be spent because they must be maintained intact.

PUBLIC LIBRARY OF CHARLOTTE AND MECKLENBURG COUNTY
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JUNE 30, 2025

Note 1—Reporting entity and summary of significant accounting policies (continued)

Restricted Fund Balance – Portion of fund balance that is subject to limitations imposed by creditors, grantors, contributors, or laws and regulations of other governments. It also includes limitations imposed by law through constitutional provisions or enabling legislation:

Stabilization by State Statute – Portion of fund balance that is restricted by State Statute [G.S. 159-8(a)].

Grants – Portion of fund balance that is restricted by revenue source for performing programs.

Programming – Portion of fund balance that is restricted by the funding source for specific library programs.

Facility Enhancements – Portion of fund balance that is restricted by revenue source for maintaining and enhancing existing facilities.

Contributions Held by the Foundation – This represents the restricted gifts that must be spent for their intended purpose per donor intent.

Assigned Fund Balance – Portion of fund balance whose intended use is established by the official designated by the governing body to encumber funds. The Library did not have any assigned fund balances at year-end.

Unassigned – Portion of total fund balance available for appropriation which is uncommitted at year-end in excess of *non-spendable, restricted, committed, and assigned*.

The following schedule provides management and citizens with information on the portion of General Fund balance that is available for appropriation:

Total fund balance - General Fund	\$ 9,688,807
Less prepaid expenses	183,777
Less stabilization by state statute	1,571,976
Remaining fund balance	<u>\$ 7,933,054</u>

The outstanding encumbrances are amounts needed to pay any commitments related to purchase orders and contracts that remain unperformed at year-end:

<u>General Fund</u>	<u>Special Revenue Fund</u>
\$851,361	\$60,000

Fund Balance Policy – Any amount of funds in the unassigned fund balance in excess of the established computation can be used by the Library as approved by the Library’s Board, without limitation, to augment the new fiscal year budget; be transferred to the Foundation for investment, with any investment income to be used on behalf of the Library; or be left in the unassigned fund balance.

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JUNE 30, 2025

Note 1—Reporting entity and summary of significant accounting policies (continued)

Risk Management – The Library is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Library acquires its risk management services through the City of Charlotte's Risk Management Division. The Library has commercial general liability insurance of \$1 million per occurrence, workers' compensation employers' liability coverage of \$1 million, and public officers' coverage of \$1 million per loss. There have been no significant reductions in insurance coverage from coverage levels in the prior year and settled claims have not exceeded coverage in any of the past three fiscal years. As of June 30, 2025, the Library does not hold any flood insurance.

In accordance with G.S. 159-29, the Director of Finance is individually bonded for \$1,000,000. The remaining employees that have access to funds are bonded under a blanket bond for \$250,000.

Payments on Behalf – The Library has various construction commitments with respect to branch facilities. Under the terms of its agreement with Mecklenburg County, Mecklenburg County directly pays for the construction expenditures. The Library reflects those payments made on its behalf as revenue when made and increases the cost of its capital assets by a corresponding amount. The Library has entered into an inter-local agreement with Mecklenburg County. Mecklenburg County pays directly for the Library's security services and maintenance services. The Library recognizes the payments made on its behalf as a revenue and expenditure when made.

Estimates – The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of any contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Transfers – Transfers are used to move money between the funds to meet operating needs, such as for payroll and grants, and are funds transferred from the Foundation transferring to the special revenue fund. Transfers totaled approximately \$1.8 million in fiscal year 2025.

Defined Benefit Pension Plans – The Library participates in one cost-sharing, multiple-employer, defined benefit pension plan that is administered by the state: The Local Governmental Employees' Retirement System ("LGERS"). For 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 state-administered defined benefit pension plan, and additions to/deductions from the state-administered defined benefit pension plans' fiduciary, net positions have been determined on the same basis as they are reported by the state-administered defined benefit pension plans. For this purpose, plan member contributions are recognized in the period in which the contributions are due. The Library's employer contributions are recognized when due and the Library has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the state-administered defined benefit pension plan. Investments are reported at fair value.

The Library participates in another postemployment benefit plan ("OPEB"), for health insurance (the "Plan"). The Library currently finances the Plan following a pay-as-you-go approach, paying an amount each year equal to the premiums related to the coverage. For purposes of measuring the total OPEB liability, deferred inflows and inflows of resources related to OPEB and OPEB expense have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms.

PUBLIC LIBRARY OF CHARLOTTE AND MECKLENBURG COUNTY
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Note 2—Deposits and investments

All deposits of the Library are made in Board-designated official depositories and are secured as required by state law G.S. 159-31. The Library may designate, as an official depository, any bank or savings association whose principal office is in North Carolina. Also, the Library may establish time deposit accounts such as NOW and SuperNOW accounts, money market accounts, and certificates of deposit.

All deposits of the Library are insured or collateralized by using the Pooling Method. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the Library, these deposits are considered to be held by the agent in the entity's name. The amount of the pledged collateral is based on an approved averaging method for non-interest bearing deposits and the actual current balance for interest bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the Library. Under the Pooling Method, the potential exists for under-collateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method. The Library has no policy regarding custodial credit risk for deposits; rather, it relies on the State Treasurer to enforce standards of minimum capitalization for all pooling method financial institutions and to monitor them for compliance. The Library complies with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured.

At June 30, 2025, the Library's deposits had a bank balance of \$16,252,908 and a carrying amount of \$15,686,643. The Federal Deposit Insurance Corporation covers \$250,000 for substantially all depository accounts and for certain qualifying and participating non-interest bearing transaction accounts. Of the bank balance, \$250,000 was covered by federal depository insurance and \$16,002,908 was covered by collateral held under the Pooling Method. The Foundation has deposits with a carrying amount of \$13,162,255 held in the Foundation for the Carolina's Investment Fund that have a maturity of three months or less. The fund invests in the BlackRock TempFund, one of BlackRock's Liquidity Funds which seeks as high a level of current income as is consistent with liquidity and stability of principal. At June 30, 2025, the Library's petty cash fund totaled \$8,816. The Library has no policy for managing interest rate risk or credit risk.

PUBLIC LIBRARY OF CHARLOTTE AND MECKLENBURG COUNTY
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NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025

Note 3—Investments

At June 30, 2025, the Foundation's investment balances were as follows:

Investment Type	Investment Measurement Method	Fair Value	Less than 1 Year	Less than 5 Years	2-5 Years	3-7 Years+
Foundation for the Carolinas						
Income and Growth Pool	Net Asset Value	\$ 1,044,719	\$ -	\$ -	\$ 1,044,719	\$ -
Foundation for the Carolinas						
Low Duration Fixed Income Pool	Net Asset Value	-	-	-	-	-
Foundation for the Carolinas						
Active Long-Term Growth Pool	Net Asset Value	58,258	-	-	-	58,258
Foundation for the Carolinas						
Diversified Long-Term Growth Pool	Net Asset Value	10,108,289	-	-	-	10,108,289
		<u>\$ 11,211,266</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,044,719</u>	<u>\$ 10,166,547</u>

Foundation funds are invested in Foundation for the Carolina's Pooled Investment Funds. As of June 30, 2025, there were no unfunded commitments and redemption frequency is daily. The following describes the Pooled Investment Funds listed:

Low Duration Fixed Income Pool – Low Duration Fixed Income Pool is a low-volatility strategy with an objective to preserve capital while generating income. Investments include a variety of fixed income instruments with maturities generally less than five years – approximately three years on average.

Income and Growth Pool – Income and Growth Pool is designed to yield consistent income and dividends while also achieving moderate capital appreciation. The portfolio is allocated 60% fixed income and 40% equity. The equity allocation includes domestic, international developed, and emerging market large and small cap equity securities. The fixed income allocation includes short and medium-term fixed income securities with an aggregate maturity of six years.

Active Long-Term Growth Pool – Active Long-Term Growth Pool seeks long-term capital appreciation without exposure to hedge funds or private equity. Up to 70% of its assets are invested in broad domestic and international large and small-cap stocks in developed and emerging markets. The remaining assets are allocated to fixed income (25%) and real assets (5%).

Diversified Long-Term Growth Pool – Diversified Long-Term Growth Pool is the model endowment portfolio recommended by FFTC's Investment Committee for donors with long-term horizons. This portfolio is broadly diversified, offering domestic and international market exposure while investing in large cap and small cap securities in developed countries and emerging markets. The allocation includes alternative investments, hedge funds, and private equity investments to improve the overall risk/return profile of the portfolio. Due to the illiquid nature of the alternate investments, there are liquidity restrictions that will apply on these funds which may affect timing of grant requests.

PUBLIC LIBRARY OF CHARLOTTE AND MECKLENBURG COUNTY
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Note 3—Investments (continued)

The assets of each pool are owned by the Foundation for the Carolinas and not the Library Foundation. Each fund owns a pro rata share of the total pool and receives an allocation of the change in the value of the pool based on their pro-rata percentage each month. The pools of the investments are not readily marketable.

The Foundation selected the investment pool at the time the funds are deposited. There are no restrictions on the withdrawal of funds. The Foundations can withdraw funds at any time with no penalty.

The Foundation does not have an investment strategy other than choosing the investment pool.

Interest Rate Risk – This is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The Foundation does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Custodial Credit Risk – This is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The Foundation does not have custodial credit risk policies for investments.

Credit Risk – Generally, credit risk is the risk that an issuer of a debt type investment will not fulfill its obligation to the holder of the investment. This is measured by assignment of a rating by a nationally recognized rating organization. The Foundation does not have a policy on credit risk.

Concentration of Credit Risk – Concentration of credit risk is the risk of a loss attributed to the magnitude of an entity's investment in a single issuer. The Foundation does not have a policy on concentration of credit risk.

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Note 4—Capital assets

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

	Beginning Balance June 30, 2024	Additions	Disposals Retirements and Reclassifications	Ending Balance June 30, 2025
Governmental activities:				
Non-depreciable assets:				
Land	\$ 13,523,473	\$ -	\$ -	\$ 13,523,473
Construction in progress	45,409,384	85,454,240	(40,939,018)	89,924,606
	<u>58,932,857</u>	<u>85,454,240</u>	<u>(40,939,018)</u>	<u>103,448,079</u>
Depreciable assets:				
Building and building improvements	123,948,898	39,555,943	(3,265,382)	160,239,459
Books	9,456,952	3,340,449	(2,102,035)	10,695,366
Furniture and equipment	8,942,798	1,771,173	(486,615)	10,227,356
Subscription-based IT arrangements	1,882,555	714,724	(719,975)	1,877,304
Lease buildings	16,600,063	350,348	-	16,950,411
Lease equipment and fixtures	1,536,320	-	-	1,536,320
Leasehold improvements	1,463,839	-	-	1,463,839
Totals at historical cost	<u>222,764,282</u>	<u>131,186,877</u>	<u>(47,513,025)</u>	<u>306,438,134</u>
Intangible assets:				
Digital books	11,915,823	2,804,329	-	14,720,152
Website and other projects	697,125	404,697	-	1,101,822
Total intangible assets	<u>12,612,948</u>	<u>3,209,026</u>	<u>-</u>	<u>15,821,974</u>
Less accumulated amortization:				
Digital books	(6,830,035)	(1,790,480)	-	(8,620,515)
Website and other projects	(612,656)	(24,256)	-	(636,912)
SBITA assets	(939,295)	(493,472)	719,975	(712,792)
Lease assets	(2,887,734)	(1,475,550)	-	(4,363,284)
Less accumulated depreciation:				
Building and building improvements	(45,511,768)	(3,476,401)	2,189,337	(46,798,832)
Books	(4,249,562)	(2,475,174)	2,102,035	(4,622,701)
Leasehold improvements	(396,913)	(97,589)	-	(494,502)
Furniture and equipment	(6,400,416)	(706,433)	472,660	(6,634,189)
Total accumulated amortization and depreciation	<u>(67,828,379)</u>	<u>(10,539,355)</u>	<u>5,484,007</u>	<u>(72,883,727)</u>
Capital assets, net	<u>\$ 167,548,851</u>	<u>\$ 123,856,548</u>	<u>\$ (42,029,018)</u>	<u>\$ 249,376,381</u>

Additions to capital assets include approximately \$87,215,371 of buildings and equipment transferred to the Library from Mecklenburg County through capital funding. Mecklenburg County obtained the funds to purchase these assets through the reserves, issuance of general obligation bonds, and certificates of participation, which are an obligation of Mecklenburg County and not the Library.

PUBLIC LIBRARY OF CHARLOTTE AND MECKLENBURG COUNTY
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Note 5—Long-term obligations

Long-term liability activity for the year ended June 30, 2025 was as follows:

	Beginning Balance June 30, 2024	Additions	Retirements	Ending Balance June 30, 2025	Due Within One Year
(as restated, see Note 14)					
Compensated absences	\$ 6,566,662	\$ 3,440,490	\$ 2,851,729	\$ 7,155,423	\$ 2,554,454
SBITA liabilities	826,153	714,724	467,102	1,073,775	270,651
Lease liabilities	16,215,157	350,348	1,214,307	15,351,198	1,270,413
Net pension liability	17,011,929	729,465	-	17,741,394	-
Total OPEB liability	61,551,277	-	1,714,301	59,836,976	-
	<u>\$ 102,171,178</u>	<u>\$ 5,235,027</u>	<u>\$ 6,247,439</u>	<u>\$ 101,158,766</u>	<u>\$ 4,095,518</u>

The General Fund primarily is used to liquidate the liabilities for lease liabilities, SBITA liabilities, the net pension liability, and total OPEB liability.

Additional information regarding the implementation of GASB Statement No. 101, including the restatement of beginning balances for compensated absences, is presented in Note 14.

Note 6—Leases

The Library has entered into seven right-to-use agreements to lease certain buildings and equipment. The lease agreements have been recorded at the present value of the future minimum lease payments as of the date of their inception. The right-of-use lease assets are amortized on a straight-line basis over the terms of the related leases. Each lease liability is measured using a discount rate that ranges from 3.0% to 3.5%, which is the Library's incremental rate.

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

<u>Fiscal Years Ending June 30,</u>	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Total</u>
2026	\$ 1,270,413	\$ 511,063	\$ 1,781,476
2027	1,194,474	469,589	1,664,063
2028	1,108,609	432,376	1,540,985
2029	772,242	399,965	1,172,207
2030	814,598	372,274	1,186,872
2031-2035	4,797,744	1,389,267	6,187,011
2036-2040	4,359,074	517,149	4,876,223
2041-2045	1,034,044	27,515	1,061,559
	<u>\$ 15,351,198</u>	<u>\$ 4,119,198</u>	<u>\$ 19,470,396</u>

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Note 7—Subscription-based IT arrangements (“SBITA”)

The Library has entered into eight right-of-use agreements for SBITA. The SBITA agreements have been recorded at the present value of the future minimum contract payments as of the date of their inception. The right-of-use SBITA assets are amortized on a straight-line basis over the terms of the related leases. Each lease liability is measured using a discount rate that ranges from 2.5% to 3.0%, which is the Library's incremental rate.

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

<u>Fiscal Years Ending June 30.</u>	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Total</u>
2026	\$ 270,651	\$ 32,349	\$ 303,000
2027	261,844	24,327	286,171
2028	250,190	16,464	266,654
2029	263,663	8,854	272,517
2030	27,427	834	28,261
	<u>\$ 1,073,775</u>	<u>\$ 82,828</u>	<u>\$ 1,156,603</u>

Note 8—Retirement plan

Plan Description – The Library is a participating employer in the statewide LGERS, a cost-sharing, multiple-employer, defined-benefit pension plan administered by the state of North Carolina. LGERS membership is comprised of general employees and local law enforcement officers of participating local governmental entities. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives, the State Treasurer, and State Superintendent, who serve as ex-officio members. The Local Governmental Employees’ Retirement System is included in the Annual Comprehensive Financial Report (“ACFR”) for the state of North Carolina. The state’s ACFR includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 707-0500, or at www.osc.nc.gov.

Benefits Provided – LGERS provides retirement and survivor benefits. Retirement benefits are determined as 1.85% of the member’s average final compensation times the member’s years of creditable service. A member’s average final compensation is calculated as the average of a member’s four highest consecutive years of compensation. Plan members are eligible to retire with full retirement benefits at age 65 with five years of creditable service, at age 60 with 25 years of creditable service, or at any age with 30 years of creditable service. Plan members are eligible to retire with partial retirement benefits at age 50 with 20 years of creditable service or at age 60 with five years of creditable service (age 55 for firefighters). Survivor benefits are available to eligible beneficiaries of members who die while in active service or within 180 days of their last day of service and who have either completed 20 years of creditable service regardless of age (15 years of creditable service for firefighters and rescue squad members who are killed in the line of duty) or have completed five years of service and have reached age 60. Eligible beneficiaries may elect to receive a monthly Survivor’s Alternate Benefit for life or a return of the member’s contributions. The plan does not provide for automatic postretirement benefit increases. Increases are contingent upon actuarial gains of the plan.

PUBLIC LIBRARY OF CHARLOTTE AND MECKLENBURG COUNTY
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JUNE 30, 2025

Note 8—Retirement plan (continued)

Contributions – Contribution provisions are established by G.S. 128-30 and may be amended only by the North Carolina General Assembly. Library employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The Library's contractually required contribution rate for the year ended June 30, 2025 was 13.60% for general employees, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the Library were \$3,465,747 for the year ended June 30, 2025.

Refunds of Contributions – Library employees who have terminated service as a contributing member of LGERS, may file an application for a refund of their contributions. By state law, refunds to members with at least five years of service include 4% interest. State law requires a 60-day waiting period after service termination before the refund may be paid. The acceptance of a refund payment cancels the individual's right to employer contributions or any other benefit provided by LGERS.

Pension Liabilities, Pension Expense, and Deferred Outflows or Resources and Deferred Inflows of Resources Related to Pensions – At June 30, 2025, the Library reported a liability of \$17,741,394 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2023. The total pension liability was then rolled forward to the measurement date of June 30, 2024 utilizing update procedures incorporating the actuarial assumptions. The Library's proportion of the net pension liability was based on a projection of the Library's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2024 (the measurement date), the Library's proportion was 0.263%, which was an increase of 0.006% from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the Library recognized pension expense of \$2,279,241. At June 30, 2025, the Library reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 3,108,964	\$ 20,903
Net difference between projected and actual earning on pension plan investments	2,411,932	-
Changes in proportion and differences between Library contributions and proportionate share of contributions	107,190	85,732
Library contributions subsequent to measurement date	3,465,747	-
	<u>\$ 9,093,833</u>	<u>\$ 106,635</u>

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JUNE 30, 2025

Note 8—Retirement plan (continued)

The \$3,465,747 reported as deferred outflows of resources related to pensions, resulting from Library contributions subsequent to the measurement date, will be recognized as a decrease of the net pension liability in the year ended June 30, 2026. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Years Ended June 30.

2026	\$ 1,661,431
2027	3,528,393
2028	604,348
2029	(272,721)
	<u>\$ 5,521,451</u>

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

Inflation:	2.50%
Salary increases:	3.25% – 8.25%
Investment rate of return:	6.50%, net of pension plan investment expense, including inflation

The plan currently uses mortality tables that vary by age, gender, employee group (i.e., general, law enforcement officer), and health status (i.e., disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

The actuarial assumptions used in the December 31, 2023 valuation were based on the results of an actuarial experience study for the period January 1, 2015 through December 31, 2019.

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

The projected long-term investment returns, and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

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NOTES TO THE FINANCIAL STATEMENTS

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Note 8—Retirement plan (continued)

As of June 30, 2024, 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
Fixed income	33%	2.4%
Global equity	38%	6.9%
Real estate	8%	6.0%
Alternatives	8%	8.6%
Opportunistic fixed income	7%	5.3%
Inflation sensitive	6%	4.3%
	<u>100%</u>	

The information above is based on 30-year expectations developed with the consulting actuary and is part of the asset liability and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 2.38%. All rates of return and inflation are annualized.

Discount Rate – The discount rate used to measure the total pension liability was 6.50%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected, future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Library’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following presents the Library’s proportionate share of the net pension liability calculated using the discount rate of 6.50%, as well as what the Library’s proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.50%) or one percentage point higher (7.50%) than the current rate:

	1% Decrease (5.50%)	Discount Rate (6.50%)	1% Increase (7.50%)
Library’s proportionate share of the net pension liability (asset)	<u>\$ 31,438,270</u>	<u>\$ 17,741,394</u>	<u>\$ 6,473,830</u>

Pension Plan Fiduciary Net Position – Detailed information about the pension plan’s fiduciary net position is available in the separately issued ACFR for the state of North Carolina.

PUBLIC LIBRARY OF CHARLOTTE AND MECKLENBURG COUNTY
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JUNE 30, 2025

Note 9—Employee benefit plan

Through the state of North Carolina, the Library offers a supplemental income plan to substantially all employees. This plan is a 401(k) savings plan under the IRC. Eligible participants may contribute up to the maximum allowable under law as a percent of base salary. For the year ended June 30, 2025, the Library matched 100% of employee contributions up to 5% of compensation. Total expense relating to this plan was \$827,797 for the year ended June 30, 2025.

Note 10—Other postemployment benefits (“OPEB”)

Healthcare Benefits

Plan Description – As a component unit of Mecklenburg County, the Library’s employees participate in Mecklenburg County’s healthcare plan, a single employer plan. As of October 8, 1996, this plan provides postemployment healthcare benefits to retirees of the Library, provided they participate in the LGERS and have at least 20 years of creditable service with the Library. After 10 years of service but prior to 20 years, the Library pays 50% of the cost. The Library’s retirees can purchase coverage for their dependents at the Library’s group rates. Effective July 1, 2010, the plan was closed to new entrants. No assets are accumulated in a trust that meets the requirements of U.S. GAAP.

Healthcare participants was based on personnel information from Mecklenburg County, North Carolina Library records as of January 1, 2024:

Active participants	103
Retirees and dependents	167
Total participants	<u>270</u>

Total OPEB Liability

The Library’s total OPEB liability of \$59,836,976 was measured as of June 30, 2024 and was determined by an actuarial valuation as of January 1, 2024.

Actuarial Assumptions and Other Inputs – The total OPEB liability in the January 1, 2024 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation:	2.5%
Salary increases:	3.25% – 8.41%
Healthcare cost trend rates:	Pre-65 – 6.75%
	Post-65 – 5.00%
	Decreasing each year to a rate of 4.50% Pre-65 by 2032 and 4.50% Post-65 in 2025

PUBLIC LIBRARY OF CHARLOTTE AND MECKLENBURG COUNTY
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JUNE 30, 2025

Note 10—Other postemployment benefits (“OPEB”) (continued)

The discount rate was based on the Bond Buyer GO 20-Bond Municipal Bond Index as of the measurement date.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance recognized at June 30, 2024	\$ 61,551,277
Changes recognized for the fiscal year:	
Service cost	914,949
Interest on the total OPEB liability	2,255,843
Difference between expected and actual experience	(1,349,041)
Changes of assumptions	(2,199,436)
Contributions from employer	(1,336,616)
Total OPEB liability	<u>\$ 59,836,976</u>

Changes in assumptions and other inputs reflect a change in the discount rate from 3.65% to 3.93%.

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

The actuarial assumptions used in the actuarial valuation were based on the economic, demographic, and healthcare claim cost assumptions and represent reasonable expectations of anticipated plan experience.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate – The following represents the total OPEB liability of the Library, as well as what the Library’s total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.93%) or one percentage point higher (4.93%) than the current discount rate:

	1% Decrease (2.93%)	Interest Rate Discount Rate (3.93%)	1% Increase (4.93%)
Total OPEB liability	<u>\$ 70,121,775</u>	<u>\$ 59,836,976</u>	<u>\$ 51,676,197</u>

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates – The following presents the total OPEB liability of the Library, as well as what the Library’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than the current healthcare cost trend rates:

	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total OPEB liability	<u>\$ 51,124,570</u>	<u>\$ 59,836,976</u>	<u>\$ 70,848,604</u>

PUBLIC LIBRARY OF CHARLOTTE AND MECKLENBURG COUNTY
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Note 10—Other postemployment benefits (“OPEB”) (continued)

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

For the year ended June 30, 2025, the Library recognized OPEB expense of (\$4,121,258). At June 30, 2025, the Library reported deferred outflows and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 577,669	\$ 1,243,174
Changes in assumptions	-	4,205,073
Library benefits paid subsequent to measurement date	1,130,323	-
	<u>\$ 1,707,992</u>	<u>\$ 5,448,247</u>

The \$1,130,323 reported as deferred outflows of resources related to OPEB resulting from Library benefits paid subsequent to the measurement date, will be recognized as a decrease of the total OPEB liability in the year ended June 30, 2026. Amounts reported as deferred outflows and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Years Ending June 30.

2026	\$ (4,218,817)
2027	(651,761)
	<u>\$ (4,870,578)</u>

Note 11—Endowment fund

The Library has been designated as the beneficiary of the income of several endowments. Under the terms of the agreements, the assets are held by a third party and the annual investment income is distributable to the Library. In some instances, the Library may elect to have the income transferred to the principal of the endowment. As of June 30, 2025, the endowments, which amounted to \$5,486,372 are presented in the Library’s non-spendable fund balance as recorded through the Foundation.

Note 12—Related party transaction

Mecklenburg County provides approximately 85% to 90% of the Library’s general funding each year. As of June 30, 2025, the Library owes \$4,184,228 to Mecklenburg County, which is the cumulative balance between appropriations and actual expenses to-date.

PUBLIC LIBRARY OF CHARLOTTE AND MECKLENBURG COUNTY
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Note 13—Pledges receivable

Pledges receivable include amounts due from the endowment campaigns for which written pledges have been received and other pledges or bequests of which the Library has been notified.

An allowance for doubtful accounts is included for a total of \$161,586 based on historical charge-offs, factors related to the specific donors' ability to pay, donor giving history, and current economic trends. Future pledges have been discounted at 3.7% (\$437,619) for a total net present value of \$7,022,778. A discount rate of 3.7% was chosen based upon two and three-year treasury yields as of June 30, 2025, which is consistent with the average length of outstanding pledges.

Pledges receivable at June 30, 2025 are scheduled to be received as follows:

<u>Years Ending June 30,</u>	
2026	\$ 4,880,056
2027	1,084,500
2028	1,031,000
2029	489,000
2030	86,000
Thereafter	<u>51,427</u>
Total pledges receivable	7,621,983
Allowance for doubtful accounts	(161,586)
Present value adjustment	<u>(437,619)</u>
Total pledges receivable, adjusted	<u><u>\$ 7,022,778</u></u>

Note 14—Net position restatements

Change in accounting principle (column A)

During fiscal year 2025, the Library implemented GASB Statement No. 101, *Compensated Absences*, which establishes new recognition and measurement guidance for compensated absences, including certain types of leave that were not previously recognized as a liability. As a result of this change in accounting principle, beginning net position for governmental activities was reduced by \$3,544,655 at the government-wide level as of June 30, 2024. This adjustment reflects the recognition of additional compensated absences liabilities in accordance with the new standard. The effect of this change in accounting principle is presented in column A of the table below.

Correction of an error in previously issued financial statements (column B)

During fiscal year 2025, the Library determined that financial activity related to the Foundation had been reported under the Financial Accounting Standards Board ("FASB") framework rather than the Governmental Accounting Standards Board ("GASB") framework as required for inclusion in the Library's financial statements. This is based on the Library's Board of Trustees ability to appoint a majority of members to the Foundation's Board and Advisory Council. This correction was made at the fund level in the Library Foundation Fund. As a result, beginning fund balance for the fiscal year ended June 30, 2024, was reduced by \$5,286,071. The adjustment primarily reflects the reclassification of unavailable pledges (those not expected to be collected within one year) from fund balance to deferred inflows of resources in accordance with GASB standards. The effect of correcting that error is shown in column B of the table below.

PUBLIC LIBRARY OF CHARLOTTE AND MECKLENBURG COUNTY
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NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025

Note 14—Net position restatements (continued)

Adjustments to and restatements of beginning balances

During fiscal year 2025, changes in accounting principle and an error correction resulted in adjustments to and restatements of beginning net position and fund net position, as follows:

	6/30/2024 As Previously Reported	Change In Accounting Principle (A)	Error Correction (B)	6/30/2024 As Restated
Government-Wide				
Governmental Activities	\$ 140,030,832	\$ (3,544,655)	\$ -	\$ 136,486,177
Total Governmental Activities Net Position	<u>\$ 140,030,832</u>	<u>\$ (3,544,655)</u>	<u>\$ -</u>	<u>\$ 136,486,177</u>
Governmental Funds				
General Fund	\$ 8,516,503	\$ -	\$ -	\$ 8,516,503
Special Revenue Fund	1,577,641	-	-	1,577,641
Library Foundation Fund	58,237,696	-	(5,286,071)	52,951,625
Capital Projects Fund	-	-	-	-
Total Governmental Funds	<u>\$ 68,331,840</u>	<u>\$ -</u>	<u>\$ (5,286,071)</u>	<u>\$ 63,045,769</u>

Note 15—Subsequent events

The Library has evaluated subsequent events through October 23, 2025, the date the financial statements were available to be issued. No subsequent events were noted that required disclosure in the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

PUBLIC LIBRARY OF CHARLOTTE AND MECKLENBURG COUNTY

(A Component Unit of Mecklenburg County, North Carolina)

SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS – HEALTHCARE BENEFITS PLAN – REQUIRED SUPPLEMENTARY INFORMATION

LAST EIGHT FISCAL YEARS

	2025	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability								
Service cost	\$ 914,949	\$ 1,091,644	\$ 1,841,359	\$ 1,927,704	\$ 1,517,248	\$ 1,498,027	\$ 1,678,648	\$ 2,049,008
Interest	2,255,843	2,218,533	1,750,004	1,745,729	2,413,578	2,510,687	2,298,451	2,017,454
Changes of benefit terms	-	-	(3,506,179)	-	-	-	-	-
Differences between expected and actual experience	(1,349,041)	(1,235,780)	4,368,924	(169,410)	762,583	(821,179)	689,336	121,547
Changes of assumptions	(2,199,436)	(1,089,774)	(21,129,032)	(500,870)	5,765,298	1,524,160	(3,006,549)	(9,477,810)
Benefit payments	(1,336,616)	(1,342,655)	(1,179,885)	(509,507)	(860,366)	(826,497)	(786,769)	(1,063,005)
Net change in total OPEB liability	(1,714,301)	(358,032)	(17,854,809)	2,493,646	9,598,341	3,885,198	873,117	(6,352,806)
Total OPEB liability, beginning of year	61,551,277	61,909,309	79,764,118	77,270,472	67,672,131	63,786,933	62,913,816	69,266,622
Total OPEB liability, end of year	<u>\$ 59,836,976</u>	<u>\$ 61,551,277</u>	<u>\$ 61,909,309</u>	<u>\$ 79,764,118</u>	<u>\$ 77,270,472</u>	<u>\$ 67,672,131</u>	<u>\$ 63,786,933</u>	<u>\$ 62,913,816</u>
Covered payroll	\$ 22,946,102	\$ 19,976,603	\$ 19,186,480	\$ 19,240,886	\$ 20,048,037	\$ 19,847,880	\$ 17,405,973	\$ 17,737,012
Total OPEB Liability as a percentage of covered payroll	260.77%	308.12%	322.67%	414.56%	385.43%	340.95%	366.47%	354.70%

Notes to the Schedule

Changes of Assumptions – Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

2017	2.85%
2018	3.58%
2019	3.87%
2020	3.51%
2021	2.21%
2022	2.16%
2023	3.54%
2024	3.65%
2025	3.93%

This schedule above is intended to show information for 10 years. Additional years will be included as they become available.

PUBLIC LIBRARY OF CHARLOTTE AND MECKLENBURG COUNTY
(A Component Unit of Mecklenburg County, North Carolina)
LIBRARY'S PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET) –
REQUIRED SUPPLEMENTARY INFORMATION

LAST TEN FISCAL YEARS

	Last Ten Fiscal Years *									
	Local Government Employees' Retirement System									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Library's proportion of the net pension liability (asset) (%)	0.26317%	0.25686%	0.25607%	0.26774%	0.24904%	0.24467%	0.26173%	0.26734%	0.26457%	0.26692%
Library's proportion of the net pension liability (asset) (\$)	\$ 17,741,394	\$ 17,011,929	\$ 14,446,005	\$ 4,106,050	\$ 8,899,262	\$ 6,681,747	\$ 6,209,133	\$ 4,084,215	\$ 5,615,062	\$ 1,197,926
Library's covered payroll	\$ 24,205,693	\$ 21,908,772	\$ 19,240,886	\$ 19,148,037	\$ 19,811,279	\$ 18,163,070	\$ 18,912,433	\$ 17,155,056	\$ 17,397,652	\$ 16,291,567
Library's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	73.29%	77.65%	75.08%	20.48%	44.92%	36.79%	32.83%	23.81%	32.27%	7.35%
Plan fiduciary net position as a percentage of the total pension liability**	83.30%	82.49%	84.14%	95.51%	88.61%	90.86%	94.16%	94.18%	91.47%	98.09%

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

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

PUBLIC LIBRARY OF CHARLOTTE AND MECKLENBURG COUNTY
(A Component Unit of Mecklenburg County, North Carolina)
LIBRARY'S CONTRIBUTIONS –
REQUIRED SUPPLEMENTARY INFORMATION

LAST TEN FISCAL YEARS

Last Ten Fiscal Years Local Government Employees' Retirement System										
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	\$ 3,465,747	\$ 3,101,150	\$ 2,623,714	\$ 2,208,567	\$ 1,943,167	\$ 1,683,444	\$ 1,372,103	\$ 1,337,155	\$ 1,029,303	\$ 1,177,606
Contributions in relation to the contractually required contribution	(3,465,747)	(3,101,150)	(2,623,714)	(2,208,567)	(1,943,167)	(1,683,444)	(1,372,103)	(1,337,155)	(1,029,303)	(1,177,606)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Public Library's covered-employee payroll	\$ 25,528,573	\$ 24,205,693	\$ 21,908,772	\$ 19,240,886	\$ 19,148,037	\$ 19,811,279	\$ 18,163,070	\$ 18,912,433	\$ 17,155,056	\$ 17,397,652
Contributions as a percentage of covered-employee payroll	13.58%	12.81%	11.98%	11.48%	9.69%	8.50%	7.55%	7.07%	6.00%	6.77%

ACCOMPANYING INFORMATION

PUBLIC LIBRARY OF CHARLOTTE AND MECKLENBURG COUNTY
(A Component Unit of Mecklenburg County, North Carolina)
SCHEDULE OF EXPENDITURES
GOVERNMENTAL FUNDS

YEAR ENDED JUNE 30, 2025

	General Fund	Special Revenue Fund	Library Foundation Fund	Capital Projects Fund	Total Governmental Funds
Salaries and Benefits:					
Salaries, full-time employees	\$ 24,818,418	\$ 591,763	\$ -	\$ -	\$ 25,410,181
Salaries, limited part-time	1,884,440	-	-	-	1,884,440
Salaries, other	23,318	-	-	-	23,318
Retirement benefits	11,107,403	218,930	-	-	11,326,333
Total Salaries and Benefits	37,833,579	810,693	-	-	38,644,272
Library Collection:					
Books and related items	5,621,680	1,783,710	-	-	7,405,390
Facility Related:					
Utilities	1,167,299	-	-	-	1,167,299
Telephone	149,341	-	-	-	149,341
Facility insurance	387,472	-	-	-	387,472
Building and grounds, maintenance, and repairs	2,386,484	19,110	-	-	2,405,594
Grants	-	-	32,000,000	-	32,000,000
Real estate rental	217,522	-	-	-	217,522
Data lines	95,650	-	-	-	95,650
Total Facility Related	4,403,768	19,110	32,000,000	-	36,422,878
Programming:					
Adult programs	90,085	67,477	-	-	157,562
Teen programs	81,901	7,000	-	-	88,901
Children programs	196,456	18,278	-	-	214,734
Other	54,040	233,015	-	-	287,055
Total Programming	422,482	325,770	-	-	748,252
Technology and Equipment:					
Technology and software	518,327	313,199	-	-	831,526
Copier expense	4,633	-	-	-	4,633
Total Technology and Equipment	522,960	313,199	-	-	836,159
Professional Services:					
Consulting services	308,534	142,993	-	-	451,527
Legal services	89,890	-	-	-	89,890
Total Professional Services	398,424	142,993	-	-	541,417
Personnel Related:					
Auto allowance	39,362	398	-	-	39,760
Security	1,140,046	-	-	-	1,140,046
Training and travel	229,606	47,961	-	-	277,567
Professional development	8,639	-	-	-	8,639
Recruitment	2,646	-	-	-	2,646
Volunteers	7,056	-	-	-	7,056
Employee recognition	11,195	13,636	-	-	24,831
Total Personnel Related	1,438,550	61,995	-	-	1,500,545

PUBLIC LIBRARY OF CHARLOTTE AND MECKLENBURG COUNTY
(A Component Unit of Mecklenburg County, North Carolina)
SCHEDULE OF EXPENDITURES
GOVERNMENTAL FUNDS (CONTINUED)

YEAR ENDED JUNE 30, 2025

	General Fund	Special Revenue Fund	Library Foundation Fund	Capital Projects Fund	Total Governmental Funds
Miscellaneous:					
Postage	\$ 22,345	\$ -	\$ -	\$ -	\$ 22,345
Supplies	72,599	2,596	-	-	75,195
Gas	48,756	-	-	-	48,756
Printing	213,448	-	-	-	213,448
Bank fees	58,057	-	-	-	58,057
Miscellaneous	206,128	538,040	315,927	-	1,060,095
Total Miscellaneous	621,333	540,636	315,927	-	1,477,896
Capital Outlay:					
Buildings, equipment, and furnishings	1,138,803	222,487	-	87,215,371	88,576,661
Debt Service:					
Principal payments	1,681,409	-	-	-	1,681,409
Interest payments	563,720	-	-	-	563,720
Total Debt Service	2,245,129	-	-	-	2,245,129
Total Expenditures	<u>\$ 54,646,708</u>	<u>\$ 4,220,593</u>	<u>\$ 32,315,927</u>	<u>\$ 87,215,371</u>	<u>\$ 178,398,599</u>