

City of Raleigh, NC, City of Charlotte, NC, City of Austin, TX Peer Financial Comparison

April 29, 2026

City of Raleigh, NC (FY2024) demonstrates a stronger financial position than City of Austin, TX (FY2024), based on a higher operating margin (25.0% vs -5.2%) and higher fund balance ratio (108.7% vs 31.7%).

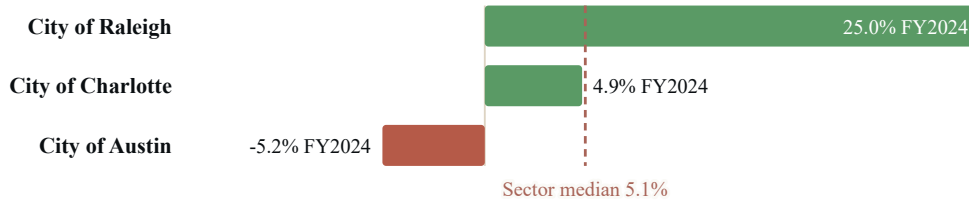
These cities represent dramatically different fiscal scales and philosophies, with Austin's \$1.3B revenue base 1.5x larger than Charlotte's \$860.4M and nearly double Raleigh's \$668.1M. Raleigh operates as a disciplined surplus generator, converting strong revenue growth into substantial reserve accumulation that now provides 13.0 months of operating coverage. Charlotte maintains a balanced approach near national benchmarks, with modest operating surpluses building reserves gradually to 3.6 months of coverage. General Fund shortfall while maintaining 3.8 months of reserves. The fundamental difference lies in operational discipline: Raleigh's 25.0% operating margin contrasts sharply with Austin's deficit spending model, despite both cities benefiting from improving revenue trends across the two-year period.

REVENUE AND EXPENDITURE COMPARISON

City of Raleigh's revenue of \$668.1M and expenditure of \$500.8M produced an operating margin of 25.0% (20 percentage points above the national city median of 5.1%). City of Charlotte's revenue of \$860.4M and expenditure of \$818.0M produced an operating margin of 4.9% (0.2 percentage points below the national city median of 5.1%). City of Austin's revenue of \$1.3B and expenditure of \$1.3B produced an operating margin of -5.2% (10.3 percentage points below the national city median of 5.1%).

City of Raleigh's 2-year trend: revenue improving (+\$75.3M (+12.7%) YoY) , 12.7% CAGR over FY2023–FY2024. City of Charlotte's 2-year trend: revenue improving (+\$48.3M (+5.9%) YoY) , 5.9% CAGR over FY2023–FY2024. City of Austin's 2-year trend: revenue improving (+\$113.6M (+9.7%) YoY) , 9.7% CAGR over FY2023–FY2024.

Operating Margin by Municipality



Source: MuniSpot Municipal Financial Database

Wake County authorized 15,248 housing units in 2024 (county-level), down 12.3% year-over-year , a leading signal of potential property tax base moderation. Mecklenburg County authorized 11,969 housing units in 2024 (county-level), down 17.1% year-over-year , a leading signal of potential property tax base moderation. Travis County authorized 16,990 housing units in 2024 (county-level), down 26.6% year-over-year , a leading signal of potential property tax base moderation.

These entities anchor their revenue models on property taxation but with varying degrees of diversification and growth dynamics. Raleigh's ad valorem tax base of \$359.5M (53.8% of revenue) reflects measured reliance on property values, supplemented by local revenue sources that contributed an additional \$3.4M in growth.

Charlotte combines property tax revenues of \$455.5M (53.1%) with substantial intergovernmental transfers that surged \$148.0M (+130.3%) year-over-year, suggesting significant federal or state program activity driving recent growth. Austin's property tax collections of \$642.7M (50.2%) are underpinned by the county's median home value of \$599,603 and 44.3% homeownership rate, while interest and dividend revenue contributed \$112.2M (8.8%) following a \$60.9M (+118.9%) surge that reflects elevated portfolio yields.

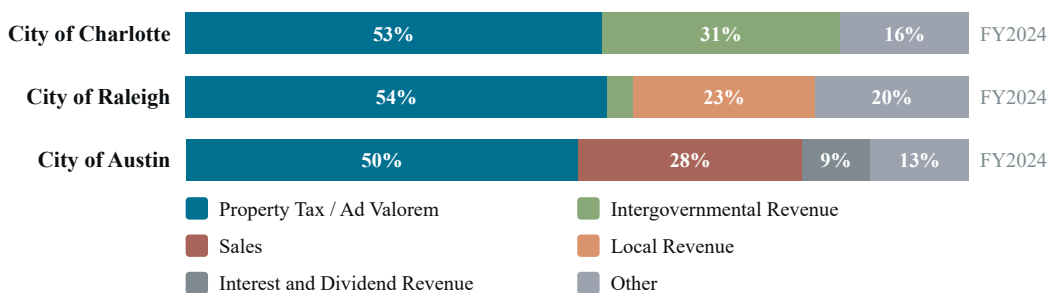
Revenue Breakdown, FY2024

EXHIBIT 1

SOURCE	CITY OF CHARLOTTE	CITY OF RALEIGH	CITY OF AUSTIN
Property Tax / Ad Valorem	\$455.5M (53.1%)	\$359.5M (53.8%)	\$642.7M (50.2%)
Sales	—	—	\$364.9M (28.5%)
Intergovernmental Revenue	\$261.6M (30.5%)	\$22.3M (3.3%)	—
Local Revenue	—	\$155.2M (23.2%)	—
Interest and Dividend Revenue	—	—	\$112.2M (8.8%)
Charges for Services	\$13.8M (1.6%)	—	\$86.2M (6.7%)
Licenses and Permits	\$52.9M (6.2%)	\$14.2M (2.1%)	\$20.7M (1.6%)
Franchise Tax Revenues	—	\$33.4M (5.0%)	\$48.3M (3.8%)
General and Administrative Expenses	\$62.1M (7.2%)	—	—
Gain (LOSS) on Investments	—	\$36.4M (5.5%)	—
Inspections Fees	—	\$25.3M (3.8%)	—
Use of Money and Property	\$9.7M (1.1%)	—	—
Other Fees and Charges	—	\$7.7M (1.1%)	—
Culture and Recreation	—	\$7.1M (1.1%)	—
Fines and Forfeitures	—	—	\$5.7M (0.4%)
Rents	—	\$4.3M (0.6%)	—
Other Taxes	\$1.7M (0.2%)	—	—
Miscellaneous Other	—	\$1.3M (0.2%)	—
Maintenance and Repairs	—	\$1.1M (0.2%)	—
Contributions and Donations	\$309K (0.0%)	—	—
Program Income	—	\$165K (0.0%)	—
Lease Revenue	—	—	\$156K (0.0%)
Total Revenue	\$857.5M (100.0%)	\$668.1M (100.0%)	\$1.3B (100.0%)

Source: MuniSpot Municipal Financial Database

Revenue Mix by Municipality, FY2024



Source: MuniSpot Municipal Financial Database

Public safety dominates expenditure patterns across all three entities but with notable intensity differences that reflect distinct service delivery models. Charlotte allocates \$510.3M (62.4%) to public safety, the heaviest concentration among the group, while Austin's \$759.7M (56.4%) represents the largest absolute commitment. Raleigh's more balanced approach dedicates \$215.5M (43.0%) to public safety while maintaining substantial culture and recreation spending of \$67.0M (13.4%), suggesting a different municipal service philosophy. Administrative expenditures range from Charlotte's lean \$56.6M (6.9%) to Austin's expansive \$208.0M (15.4%), reflecting the operational complexity that accompanies Austin's larger revenue scale.

Expenditure Breakdown, FY2024

EXHIBIT 2

CATEGORY	CITY OF CHARLOTTE	CITY OF RALEIGH	CITY OF AUSTIN
Public Safety	\$510.3M (62.4%)	\$215.5M (43.0%)	\$759.7M (56.4%)
General and Administrative Expenses	\$56.6M (6.9%)	\$68.4M (13.7%)	\$208.0M (15.4%)
Culture and Recreation	—	\$67.0M (13.4%)	\$169.3M (12.6%)
Health Services	—	—	\$129.0M (9.6%)
Waste Management	\$82.7M (10.1%)	—	—
Urban Growth Management	—	—	\$71.5M (5.3%)
Debt Service, Annual Principal Payment	\$12.3M (1.5%)	\$45.5M (9.1%)	\$8.4M (0.6%)
Public Infrastructure	—	\$52.4M (10.5%)	—
Support Services	\$49.4M (6.0%)	—	—
Highways and Streets	\$42.5M (5.2%)	—	—
Community Planning and Development	\$37.8M (4.6%)	—	—
Housing and Community Services	—	\$29.4M (5.9%)	—
Engineering and Property Management	\$25.1M (3.1%)	—	—
Debt Service, Interest Expenditure	\$1.3M (0.2%)	\$21.2M (4.2%)	\$1.2M (0.1%)
Debt Service	—	\$950K (0.2%)	—
Economic Development	—	\$442K (0.1%)	—
Total Expenditures	\$818.0M (100.0%)	\$500.8M (100.0%)	\$1.3B (100.0%)

Source: MuniSpot Municipal Financial Database

City of Austin reported \$245.0M in entity-wide federal expenditures across 78 programs in FY2024, concentrated in COVID-19 - Coronavirus State and Local Fiscal Recovery Funds (\$67.3M, 27.5% of federal spend) and Disaster Grants - Public Assistance (presidentially Declared Disasters) (\$33.5M, 13.7% of federal spend).

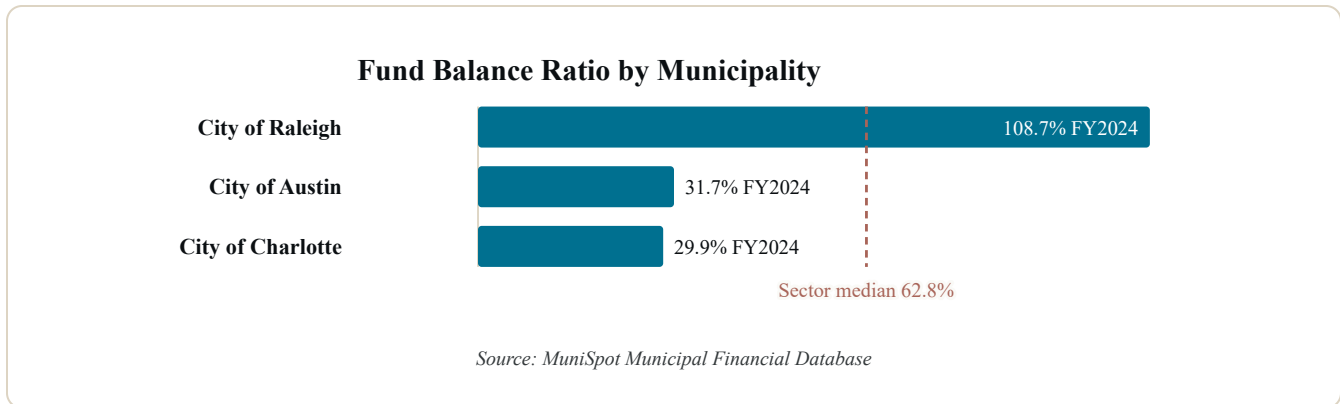
Top Federal Programs, FY2024 (total federal expenditures \$245.0M)

EXHIBIT 3

RANK	PROGRAM	AMOUNT	% OF FEDERAL SPEND
1	COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	\$67.3M	27.5%
2	Disaster Grants - Public Assistance (presidentially Declared Disasters)	\$33.5M	13.7%
3	COVID-19 - Disaster Grants - Public Assistance (presidentially Declared Disasters)	\$26.2M	10.7%

Source: MuniSpot Municipal Financial Database

FUND BALANCE AND RESERVES COMPARISON



Fund Balance Summary

EXHIBIT 4

METRIC	FY2024	FY2023
Total Fund Balance	\$244.9M	\$237.1M
Cash and Equivalents	\$217.0M	\$206.5M
Fund Balance / Expenditures	29.9%	29.5%
Assets / Liabilities	698.8%	713.8%

Source: MuniSpot Municipal Financial Database

Results are mixed relative to the national city median of 62.8%. Raleigh's exceptional reserve position provides substantial operational flexibility, with 13.0 months of coverage representing 261% more financial runway than Charlotte's 3.6 months. This disparity reflects fundamentally different fiscal strategies: Raleigh's sustained operating surpluses have built reserves from \$470.6M to \$544.1M over two years, while Charlotte's modest \$7.8M reserve growth stems from smaller operating margins. Austin's reserve trajectory presents a contradiction, fund balance grew \$68.3M (+19.1%) to \$427.0M despite cumulative operating deficits, indicating reliance on non-recurring revenue sources or interfund transfers to maintain the 3.8 months of coverage.

DEBT AND LONG-TERM OBLIGATIONS COMPARISON

City of Raleigh's General Fund debt service totals \$67.6M (10.1% of revenue), comprised of \$45.5M in principal and \$21.2M in interest and \$950K in other debt service expenditures. City of Charlotte's General Fund debt service totals \$13.6M (1.6% of revenue), comprised of \$12.3M in principal and \$1.3M in interest and other charges. City of Austin's General Fund debt service totals \$9.7M (0.8% of revenue), comprised of \$8.4M in lease and it subscription financing principal and \$1.2M in interest expense on leases and it subscriptions.

City of Raleigh's FY2024 long-term obligations total \$1000K outstanding. City of Austin's FY2024 long-term obligations total \$2.0M outstanding.

Raleigh carries the highest debt service burden at 10.1% of revenue, primarily traditional municipal debt with significant interest components, while Charlotte and Austin maintain minimal General Fund debt exposure focused on operating leases and subscriptions rather than capital infrastructure bonds. Austin's debt profile reflects a lease-heavy financing approach that keeps General Fund obligations low while potentially shifting long-term liabilities to other fund structures.

ECONOMIC BASE COMPARISON

Raleigh-Cary MSA home values rose 1.2% year-over-year and compounded 9.4% annually over the past five years per the FHFA All-Transactions index (Q4 2025), trailing the statewide pace of 10.3%.

Charlotte-Concord-Gastonia MSA home values rose 3.2% year-over-year and compounded 10.4% annually over the past five years per the FHFA All-Transactions index (Q4 2025), in line with the statewide pace of 10.3%.

Austin-Round Rock-San Marcos MSA home values rose 0.4% year-over-year and compounded 6.0% annually over the past five years per the FHFA All-Transactions index (Q4 2025), trailing the statewide pace of 7.7%.

Wake County's per-capita personal income of \$85,573 runs 58% above the North Carolina median of \$54,221 and grew 5.1% year-over-year (6.7% annualized over five years), a trajectory supportive of continued economic base expansion.

Mecklenburg County's per-capita personal income of \$86,098 (59% above the North Carolina median of \$54,221) grew 4.4% year-over-year. Real GDP of \$146B expanded at a 7.0% pace over the same period, with industrial output outpacing household-income gains, a dynamic characteristic of the local economic structure.

Travis County's per-capita personal income of \$98,944 runs 69% above the Texas median of \$58,430 and grew 5.1% year-over-year (6.7% annualized over five years), a trajectory supportive of continued economic base expansion.

Austin operates from the strongest individual income base, with Travis County's per-capita personal income of \$98,944 and municipal median household income of \$101,198 supporting the city's substantial property tax collections. Charlotte and Raleigh anchor similar affluent economic regions with per-capita incomes near \$85,000-\$86,000, though Charlotte's industrial GDP growth outpacing household income gains suggests a more diversified employment base. All three markets demonstrate educational advantages, Austin leads with 61.1% bachelor's degree attainment, followed by Charlotte's 49.1%, that underpin their capacity for continued own-source revenue growth despite moderating housing construction activity across all three counties.

PEER BENCHMARKS

EXHIBIT 5

METRIC	CHARLOTTE	RALEIGH	AUSTIN	SECTOR MEDIAN
Operating Margin	4.9%	25.0%	-5.2%	5.1%
Total Fund Balance Ratio	29.9%	108.7%	31.7%	62.8%

Source: MuniSpot Municipal Financial Database

Entity values reflect General Fund figures. Sector medians are computed across a benchmark population of national city sector municipalities as reported in their audited financial statements; the population includes both General Fund- and Total Governmental Funds-reporting entities with same-fund consistency enforced within each. Compare with that context in mind.

City of Raleigh's operating margin of 25.0% is 20 percentage points above the national city median of 5.1%. City of Charlotte's operating margin of 4.9% is 0.2 percentage points below the national city median of 5.1%. City of Austin's operating margin of -5.2% is 10.3 percentage points below the national city median of 5.1%.

City of Raleigh's fund balance ratio of 108.7% is 45.8 percentage points above the national city median of 62.8%. City of Charlotte's fund balance ratio of 29.9% is 32.9 percentage points below the national city median of 62.8%. City of Austin's fund balance ratio of 31.7% is 31.1 percentage points below the national city median of 62.8%.

Raleigh's exceptional performance across both operational and balance sheet metrics positions it well above national benchmarks, while Charlotte and Austin cluster near or below median levels despite their substantially larger revenue scales.

KEY OBSERVATIONS

- Austin's reserve growth despite operating deficits signals reliance on non-recurring revenue sources; the \$66.3M cumulative deficit would have eroded fund balance without offsetting transfers or one-time revenues, creating sustainability questions for the structural spending model.
- Raleigh's 13.0 months of reserve coverage provides 261% more financial runway than Charlotte's 3.6 months, reflecting the compound effect of sustained 25.0% operating margins that convert revenue growth directly into fiscal resilience rather than expanded service delivery.
- Interest and investment income volatility presents the greatest revenue risk across the group, with Austin's \$112.2M (8.8% of revenue) most exposed to Federal Reserve policy shifts and Raleigh's \$36.4M (5.5%) creating meaningful budget sensitivity to portfolio yield changes.
- Charlotte's intergovernmental revenue surge of \$148.0M (+130.3%) represents the most concentrated policy risk, as federal program reductions or state funding changes could materially impact the modest 4.9% operating margin that currently supports gradual reserve accumulation.
- All three entities benefit from improving revenue trends despite slowing property tax base expansion, with multi-year revenue growth of 12.7%, 5.9%, and 9.7% respectively providing momentum that supports continued operations under current service delivery models.

DATA NOTES

1. **FY2024 Annual Comprehensive Financial Report (ACFR) Published by:** Municipality (audited) **Coverage:** Audited financial statements for

City of Charlotte, NC (General Fund, FY2024), City of Raleigh, NC (General Fund, FY2024), and City of Austin, TX (General Fund, FY2024).

2. **2024 Census Building Permits Survey (BPS) Published by:** U.S. Census Bureau **Coverage:** Annual housing units authorized at place and county grain, 2024.
3. **2025 American Community Survey 5-Year Estimates (ACS) Published by:** U.S. Census Bureau **Coverage:** Demographic and economic indicators for City of Raleigh, NC, 2025.
4. **Q4 2025 FHFA House Price Index (All-Transactions) (FHFA) Published by:** Federal Housing Finance Agency **Coverage:** Quarterly home price index at MSA, state, and national tiers, through 2025.
5. **2024 BEA Regional Accounts (CAINC1 + CAGDP1) (BEA Regional) Published by:** U.S. Bureau of Economic Analysis **Coverage:** County-level per-capita personal income and real GDP, 2024.

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