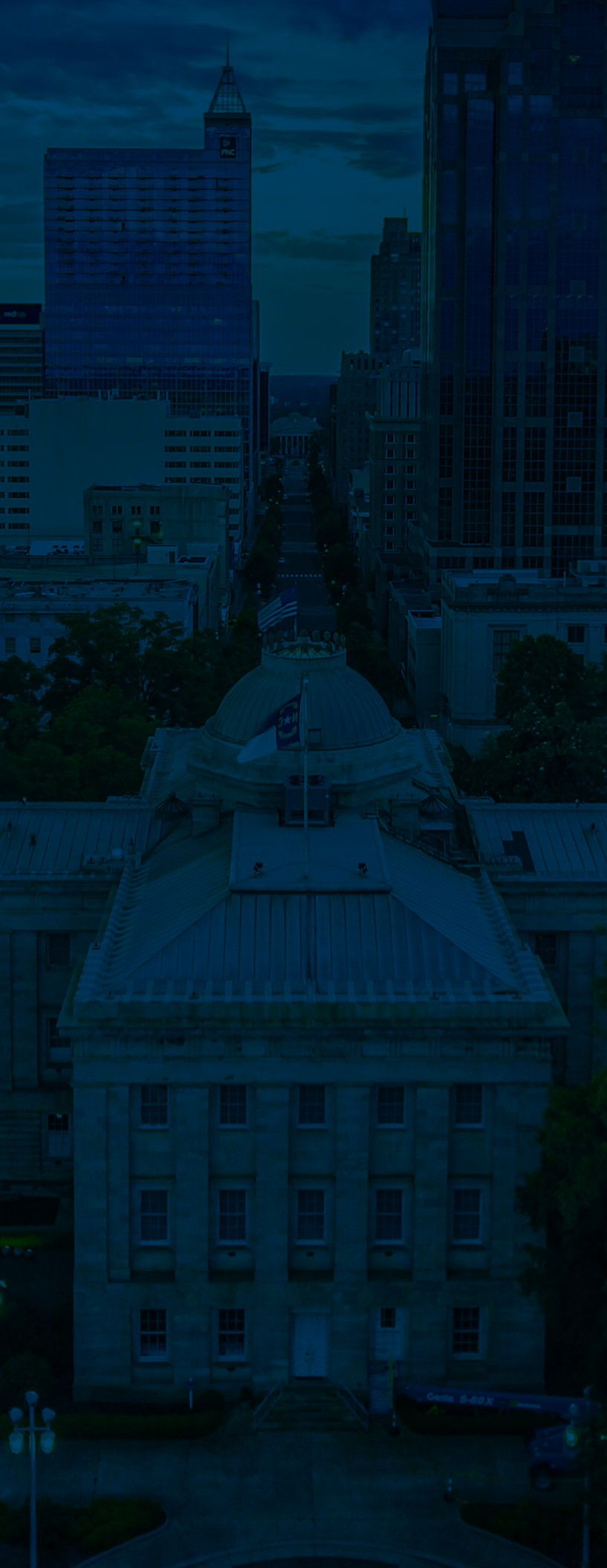




Annual Comprehensive Financial Report

FISCAL YEAR ENDING JUNE 30, 2021
RALEIGH, NORTH CAROLINA





Raleigh

OFFICE OF THE
CITY MANAGER
919.996.3070

OFFICE OF THE
CHIEF FINANCIAL OFFICER
919.996.3215

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RALEIGH, NORTH CAROLINA 27602



City of Raleigh
NORTH CAROLINA

Comprehensive Annual
Financial Report
For the Fiscal Year Ended June 30, 2021

Prepared by the Finance Department
Allison E. Bradsher
Chief Financial Officer

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Raleigh

**INTRODUCTORY
SECTION**



Raleigh City Council 2020-2021



*Bottom Row: Nicole Stewart, David Cox, Stormie D. Forte, Mary-Ann Baldwin
Top Row: Jonathan Melton, Corey Branch, Patrick Buffkin, David Knight*

Mary-Ann Baldwin – Mayor
Patrick Buffkin – District A
David Cox – District B
Corey Branch – District C

Stormie D. Forte – District D
David Knight – District E
Jonathan Melton – At Large
Nicole Stewart – At Large

City Administrative, Legal and Financial Staff

Marchell Adams-David
City Manager

Tansy Hayward
Deputy City Manager

James Greene, Jr.
Assistant City Manager

Evan Raleigh
Assistant City Manager

Michele Mallette
Chief of Administrative Services

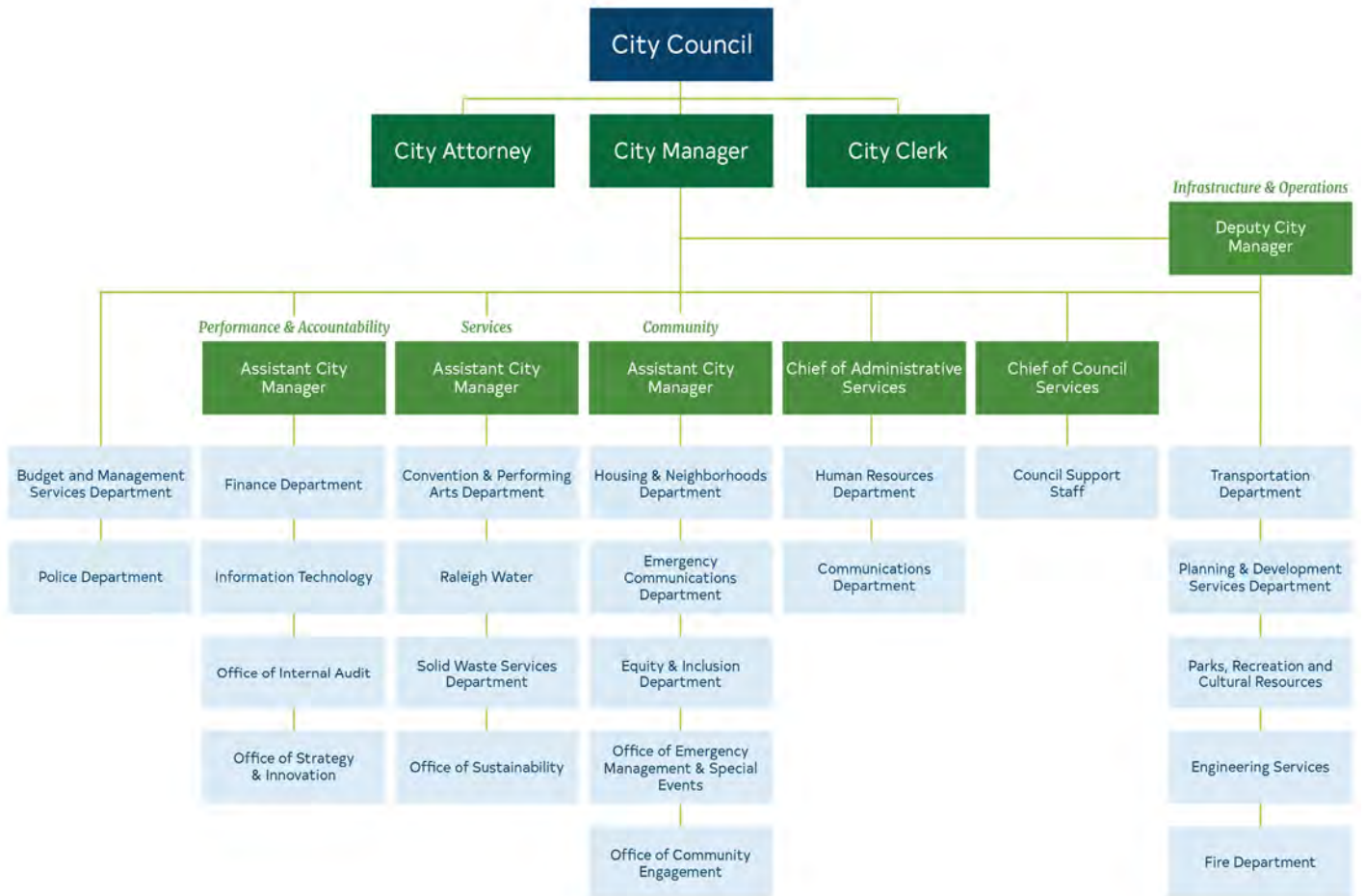
Louis Buonpane
Chief of Council Services

Robin L. Tatum
City Attorney

Gail G. Smith
City Clerk

Allison E. Bradsher
Chief Financial Officer

City of Raleigh Organization Chart



October 29, 2021



To The Honorable Mayor and Members of the City Council and Citizens of the City of Raleigh, North Carolina

It is our pleasure to submit the Annual Comprehensive Financial Report of the City of Raleigh, North Carolina for the fiscal year ended June 30, 2021. State law requires that all general-purpose local governments annually publish a complete set of financial statements. The financial statements must be presented in accordance with accounting principles generally accepted in the United States of America and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. This report complies with these requirements.

The Annual Comprehensive Financial Report consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect City assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with accounting principles generally accepted in the United States of America. The City's comprehensive internal control framework has been designed to provide reasonable rather than absolute assurance that the financial statements are free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

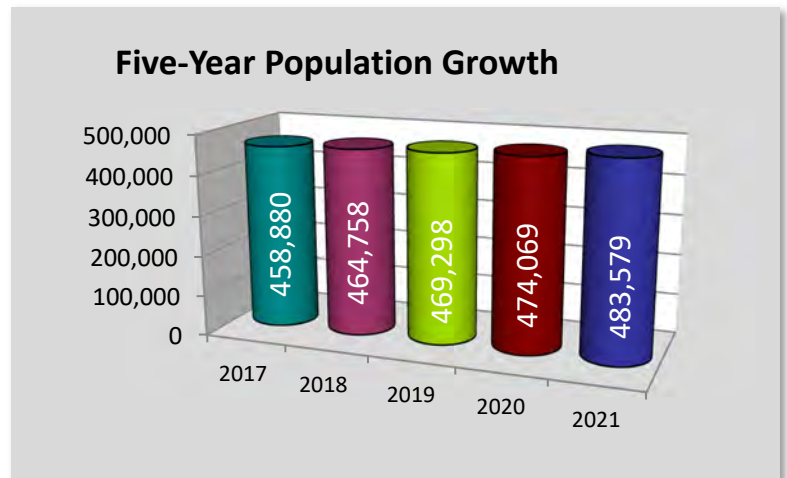
The City's financial statements have been audited by Cherry Bekaert LLP, a firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City are free of material misstatement. The independent auditor concluded that the City's financial statements, for the fiscal year ended June 30, 2021, are fairly presented in accordance with accounting principles generally accepted in the United States of America. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the City's financial statements was further part of a broader federal and state mandated "Single Audit" designed to meet the special needs of grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal and state awards. These auditor reports are available in the Single Audit section of this report.

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

Profile of City of Raleigh

Raleigh is situated in the heart of the state's Piedmont region, centered between the sandy Atlantic beaches and the Great Smoky Mountains. The City is both the county seat of Wake County and the capital of North Carolina; it covers an area of more than 146 square miles and has an estimated population of 483,579. Raleigh, Durham, and Chapel Hill form the Research Triangle Park (RTP), which was founded in 1959 for research, innovation, and economic development and is now the largest research park in the nation. The City is located in a metropolitan area consisting of Wake, Durham, Orange, Franklin, Chatham and Johnston counties. The cumulative population for these areas exceeds 1.9 million and reflects a 25.1% increase over the past 10 years.



The North Carolina General Assembly purchased land for the original site of the City. Raleigh is among the few cities in the United States that was planned and built specifically to serve as a state capital and its original boundaries were formed by North, East, West and South streets. The City was established in 1792 by an act of the General Assembly and has utilized a council-manager form of government since 1947. The Mayor and two Council members are elected at-large, and the remaining five Council members are elected from five districts within the City. The Mayor and Council members serve two-year terms, and all have an equal vote. The City Council sets policies, enacts ordinances and appoints the City Manager, City Attorney and City Clerk. The City Manager is responsible to Council and administers the daily operations and programs of the City as well as management of all City employees.

The City provides the full range of governmental services, including police and fire protection, street construction and maintenance, solid waste management, water and sanitary sewer services, parks, recreation and cultural services, planning and development services, a variety of transportation and public infrastructure programs, and other traditional support activities.

The City is empowered to levy a property tax on real and certain personal properties located within its boundaries. Subject to various stipulations set by the North Carolina General Assembly, it is also empowered to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the governing council.

The Annual Budget serves as the foundation of the City's financial planning and fiscal control. The City Council is required to hold public hearings on the proposed budget and to annually adopt a final budget no later than June 30, the close of the City's fiscal year. The appropriated budget is prepared by fund, function (e.g., public safety), and department (e.g., police). Department heads may approve budget transfers within a fund up to \$10,000, while transfers between \$10,000 and \$50,000 require approval from the City Manager or designee. Transfers greater than \$50,000 and transfers of appropriations between funds require approval of the City Council.

Economic Conditions

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City operates.

Despite the ongoing global pandemic which began in March 2020 with the onset of COVID-19 and continues to impact the world's public health response, Raleigh has remained financially strong and continues to attract business development investments. The City also continues to draw new people to the area. This is in large part to the diverse business environment, nationally ranked universities and outstanding health care facilities. Raleigh is not alone in facing the challenges stemming from the global pandemic, and continues to reinforce fiscal stewardship, operational efficiencies, strategic investments and effective change management. The overall economy and surrounding region have many economic trends which indicate that Raleigh remains well positioned to weather the global pandemic. The City continues to be well positioned to adapt to the ongoing pandemic while maintaining its high level of service to the community.

Raleigh continues to be widely recognized by independent sources as one of the nation's most attractive metropolitan areas.

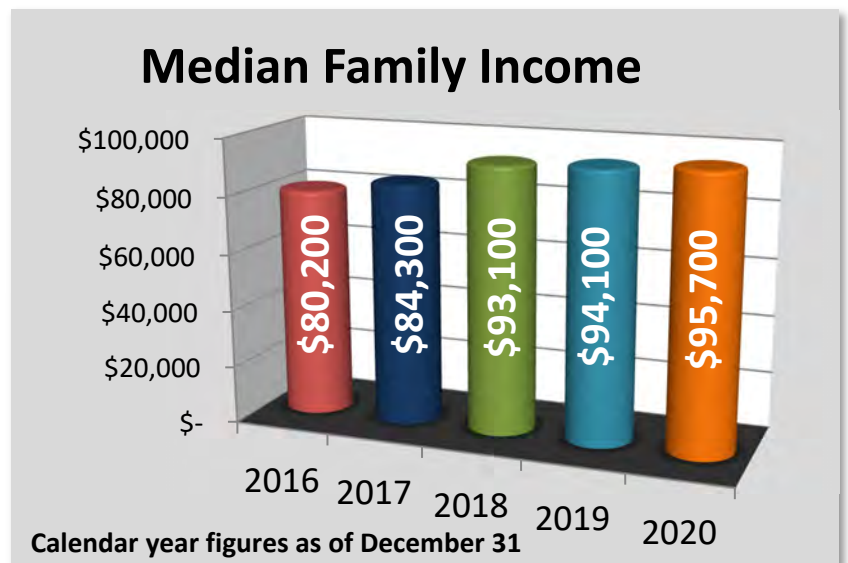
Recent accolades include:

- 5th in the nation for the life sciences industry (December 2020, CBRE)
- 3rd in Best State Capitals (January 2021, Wallet Hub)
- 3rd in Happiest Cities in America (January 2021, Men's Health)
- 5th best-performing economy in the United States (February 2021, Milken Institute)
- Top 10% of local governments earning the "Leading the Way Award" (April 2021, ETC Institute)
- 11th best-run city in America (June 2021, Wallet Hub)

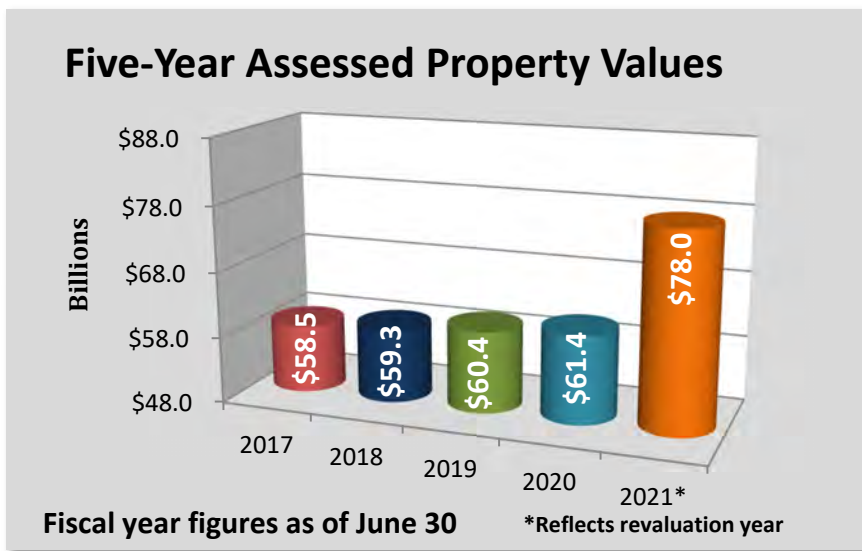
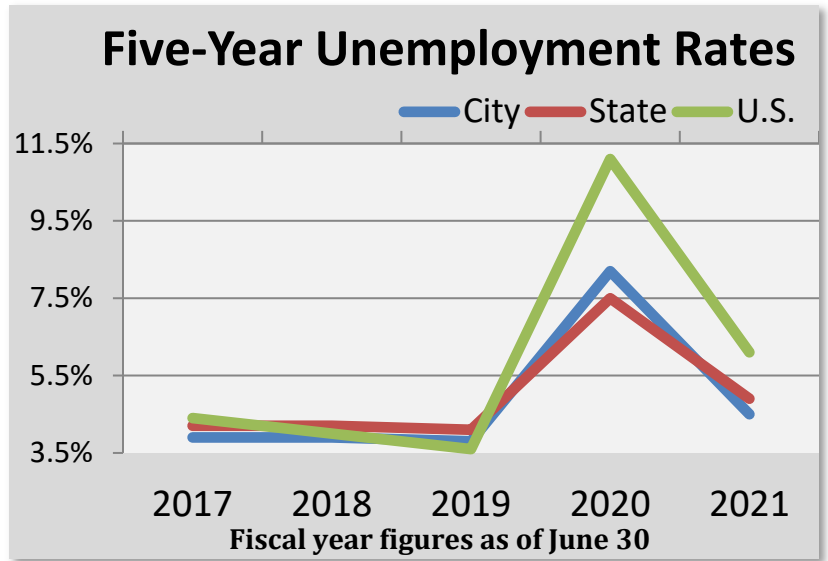
North Carolina's official population in the 2020 Census was 10,453,948. This is an increase of 903,905 or 9.5% since 2010, with Wake County as the largest county in the State, with a total of 1,129,410 residents. Raleigh and the surrounding region continue to experience growth in population and commercial activity and Raleigh is now the 40th largest city in the United States. As the capital of the state, the City derives its economic profile from a diverse combination of business and employment centers, including Federal and State government, higher education, information technology, scientific research, healthcare and retail trade.

Raleigh is the home of the principal executive, judicial and regulatory offices of State government, as well as six public and private institutions of higher education, including North Carolina State University, the largest university in North Carolina.

Locally, the unemployment rate on June 30, 2021 was 4.5%, which is higher than pre-pandemic levels; however, is significantly improved from the prior year and much lower than the U.S. rate. The unemployment rate continues to decline from June to the date of this report. Median family income continued an upward trend, rising to \$95,700 in calendar year 2020.



The nearby Research Triangle Park (RTP) was developed in 1959 for industrial, governmental and scientific research. Its primary objective is to attract research related institutions to the area. Its corporate residents currently consist of more than 250 organizations including International Business Machines, Cisco Systems, Fidelity Investments, GlaxoSmithKline, Credit Suisse, Wolfsped (a Cree Company), NetApp and RTI International. RTP companies employ more than 50,000 full-time equivalent employees and contract workers. Industries such as micro-electronics, telecommunications, biotechnology, chemicals, pharmaceuticals, and environmental sciences also invest more than twice the national average in research and development at the region’s universities each year.



In North Carolina, real estate reappraisals are required to be conducted at least once every eight years. Wake County performs reappraisals on a four-year cycle. City’s taxable property base remains balanced with industrial and commercial properties which complement its residential base. The most recent reappraisal in Wake County was effective as of January 1, 2020 and revised assessed values are reflected in the chart below. The value of construction permits continues to remain strong at \$1.5 billion in 2021.

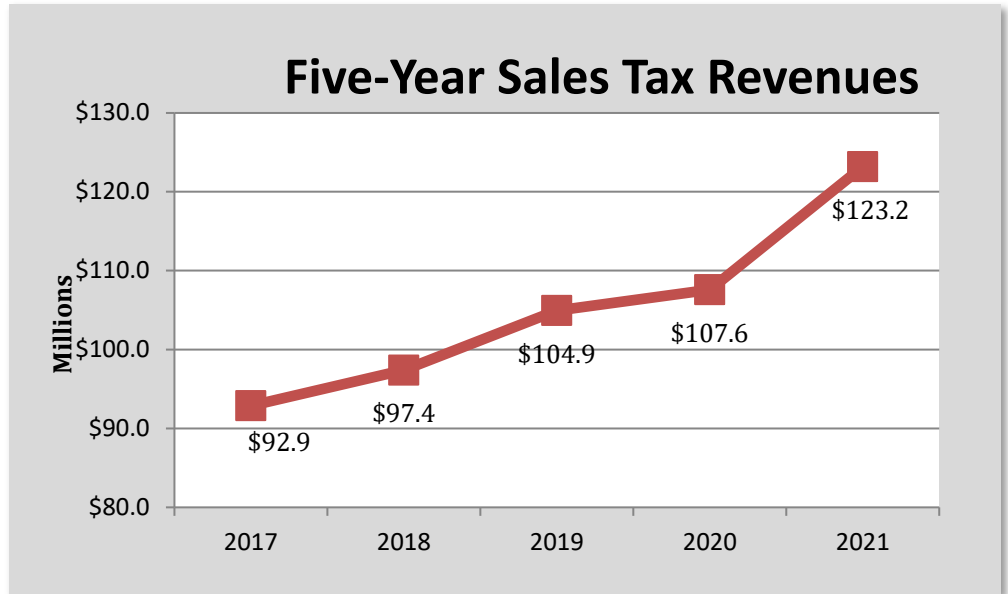
Sales tax is a revenue source highly dependent upon consumer spending and consumer confidence. Sales tax continues to increase annually as indicated in the chart on the following page. Despite the global pandemic, retail sales for Raleigh experienced unprecedented sales tax collections presumed to be largely due to the Federal government’s direct stimulus payments to U.S. households and other programs such as expanded unemployment benefits. Overall, the City’s distributions increased by 14.5% from the previous fiscal year and significantly exceeded the budgeted figure.

Wake County attracted over 12.9 million visitors annually for conferences, special events, shopping and other attractions, which was a decrease of 29% from 2019 due to the ongoing global pandemic and its impacts to the hospitality sectors.

In addition, the number of visitors and events that were able to be held during the year were impacted by facility closures and capacity limits in place during the pandemic. Visitor experiences are enhanced by facilities such as the Raleigh Convention Center Complex, Red Hat Amphitheater

and Festival Site, PNC Arena, Coastal Credit Union Music Park at Walnut Creek, the Duke Energy Center for the Performing Arts, Marbles Kids Museum and IMAX Theater, numerous state museums, and major retail shopping malls. The PNC Arena is home of the Carolina Hurricanes - National Hockey League's 2006 Stanley Cup champion, and North Carolina State University's Wolfpack basketball team. Memorial Auditorium, at the Duke Energy Center for the Performing Arts, hosts a diversified series of plays and performances including productions of the NC Theatre and the Broadway Series South. The Duke Energy Center for the Performing Arts is the home of the North Carolina Symphony and the Carolina Ballet and features four performing arts theaters.

The Raleigh Convention and Performing Arts Complex's operations and ability to host events was significantly impacted by executive orders issued by the Governor as part of North Carolina's response to the pandemic. Raleigh Convention Center held 29 events with 14,691 attendees and the Duke Energy Center for the Performing Arts held 87 events with 17,948 attendees. The Red Hat Amphitheater held 3 events and brought 3,119 attendees downtown. The Raleigh Convention and Performing Arts Complex had an estimated \$10.4 million economic impact which represented an 80% reduction from the prior year.



Major Initiatives

The City continues to invest in its vital capital infrastructure and completed key projects and initiatives in fiscal year 2020-21. Ongoing projects and those completed reflect the City's commitment to Citywide infrastructure and transportation networks, public safety, as well as leisure services including City parks network and cultural amenities.

Several parks, recreational and cultural resources projects were completed including major renovations at the Walnut Creek Athletic Complex providing enhanced amenities to support youth and adult athletic leagues and tournaments. The City continues to invest in our existing facilities across the system and completed four facility improvements at Eastgate Park, Powell Drive Park, Biltmore Hills Park, and Ralph Campbell Neighborhood Center. The improvements include interior renovations, Americans with Disabilities Act (ADA) improvements, new heating, ventilation, and air conditioning (HVAC) system, new lighting, new flooring, repainting and improved networking systems.

In support of public safety, renovations were completed at various Fire Stations across the City. The new 60,000-square-foot Raleigh Police Department Law Enforcement Training Center was designed to complete all officer training on site. The building houses a law enforcement museum and has a courtyard connection to Wake County's Law Enforcement Training Center. The state-of-the-art project had a ribbon cutting ceremony which took place on June 25, 2021.

Stormwater completed capital improvement infrastructure projects to mitigate stormwater runoff and to address neighborhood drainage concerns. The City's Housing and Neighborhoods department continues to support community investments that increase the number of affordable housing units, encourage neighborhood revitalization projects and offers first-time home buyer programs.

The City continued to invest in vital water and sewer infrastructure projects during the year. The Pine Hollow elevated water tank replaced an aged 500,000-gallon water storage tank located off of Leesville Church Road. This replacement will improve system reliability and water in the pressure zone. Additionally, project work was completed at the South Sanders Street sewer replacement to replace and expand the sewer line to 24-inches. This project increases system capacity, prevents sanitary system overflows and protects the water quality of nearby streams.

An ongoing major bioenergy recovery project will produce green energy through the production of biogas to treat wastewater byproducts more efficiently than the current system in place. The biogas captured will be converted to a renewable natural gas to fuel the City's bus fleet or sold to a third party. The project is underway and is on schedule to begin the initial energy recovery process in Fall 2023 followed with project completion in the Spring of 2024.

The City continued to invest in infrastructure to address growth and transit needs along major transit corridors. An ongoing partnership with Wake County's Transit Planning Advisory Committee (TPAC) will enable regional municipalities to broadly coordinate for future transit needs.

Long-term Financial Planning

The City seeks to consistently maintain a strong financial position as evidenced by its AAA/Aaa ratings from the three major credit rating agencies. This objective requires regular long-term planning of operating and capital requirements for its major general government and enterprise programs. In doing so, the City relies on key financial policies and procedures for managing future needs in financially responsible ways. Annually the City adopts a 10-year Capital Improvement Program (CIP) that looks ahead to plan for capital needs. Phase I encompasses the first 5 years of the CIP and addresses both project needs and financial strategies for this period. Spanning fiscal years 2021 through 2025, major areas included in Phase I are transportation, public utilities, parks recreation and cultural resources, housing, stormwater utility, technology, convention & performing arts and general public improvements. Public utilities represent the largest portion of the CIP due to the strong growth of our area and continuing infrastructure needs. Phase II of the program, spanning the second 5-year period, includes longer range projects identified as necessary for the continuation of existing service levels to the citizens of the City.

A key financial goal of the City for many years has been the maintenance of a minimum of 14.0% unassigned fund balance level in the general fund. In addition, the City is able to appropriate a consistent level of fund balance each year resulting from positive budget variances. These goals are met in the fiscal year 2020-21 results that are built into the 2021-22 operating budgets. Financial models are also used in the budget process and provide a means of projecting long-term resource requirements. These include general and enterprise debt models, rate sensitivity analyses and financial proformas. The City's financial practices are designed to avoid using one-time revenues to meet recurring expenditure needs and to ensure an appropriate mix of pay-as-you-go funding and long-term debt for capital needs. As a result of the City's long-term financial planning strategy, the City remains well positioned to deliver resources needed to support critical capital needs.

General Budget Information

For the Year 2020-21

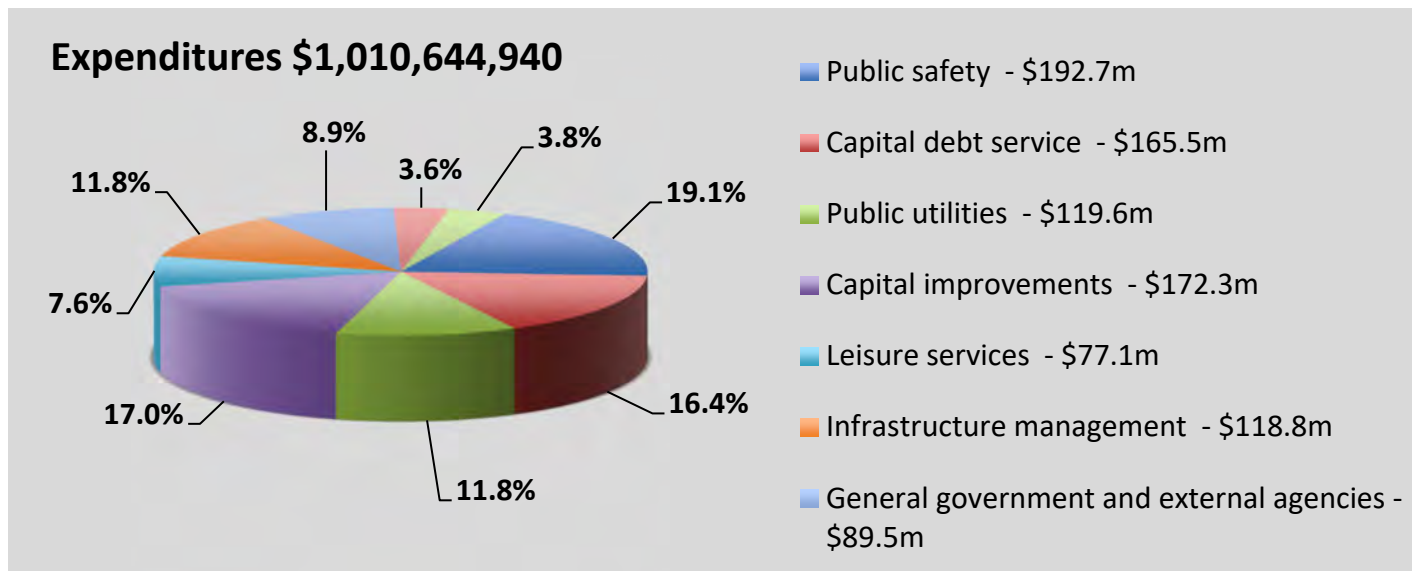
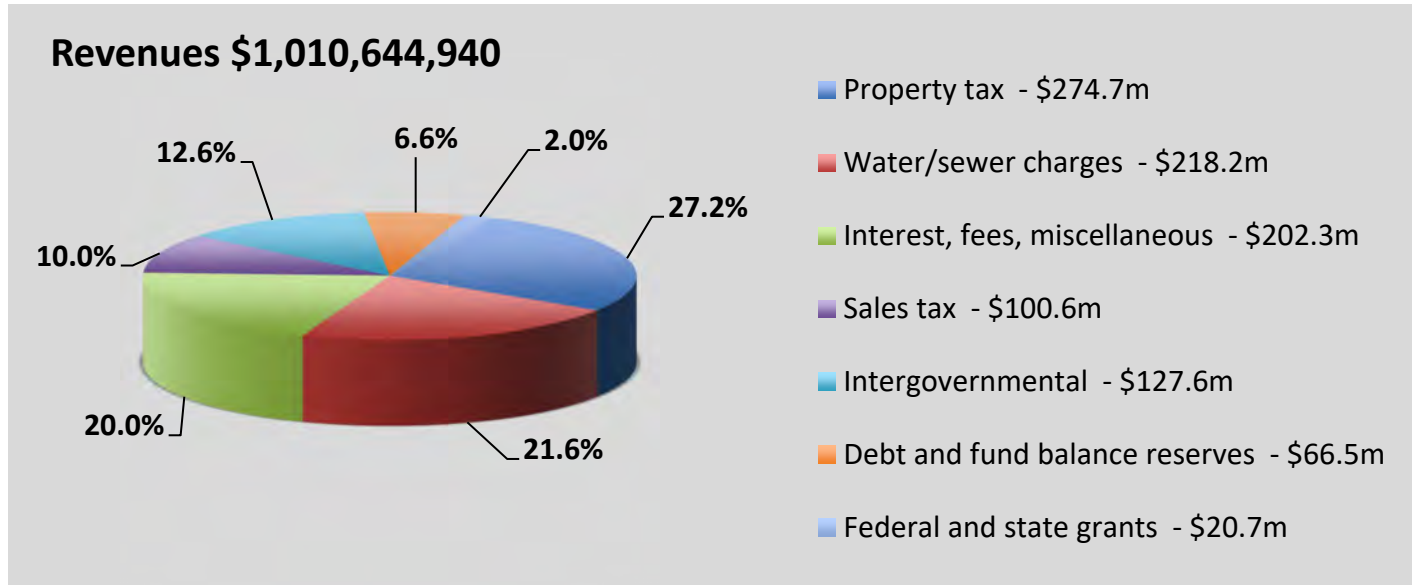
The City's Annual Budget for 2020-21, inclusive of operating and capital programs, increased by 4.4% from the prior year reflecting uncertainty surrounding the impacts from the global pandemic. The fiscal year 2020-21 property tax figure using the revaluation revenue neutral rate, of \$274.7 million reflected a projected 1.2% growth in revenues over 2019-20 actual results of \$271.2 million. The adopted budget reflected more conservative revenue projections as a result of the ongoing economic concerns associated with global pandemic. Some examples include:

- Property tax collection rate was lowered slightly to 99.3% of amounts billed
- Sales tax budget of \$100.6 million included a 5.6% decrease in revenues over prior year collections
- Included an increase in the monthly recycling fee for solid waste services to maintain service levels
- Planned for declines in parks, recreation and cultural resources user fees due to impacts with boat rentals, pools and programming adjustments at community centers.

The 2020-21 operating budget reflected strategic investments and reductions intended to minimize impacts from an anticipated loss in revenues due to the economic downturn. The budget prioritized critical services and the health and safety of our community through thoughtful reductions in conjunction with strategic investments in our workforce, operations, and infrastructure. These commitments continued the City's high quality of life and level of service delivery.

Adopted Budget 2020-21

Capital improvement budgets in fiscal year 2020-21 included new and/or continuing projects totaling \$469.5 million, including traditional project funding for transportation, utilities, parks, stormwater, housing, and general public improvements.



For the Future

The fiscal year 2021-22 budget was guided by the City's Strategic Plan, City Council priorities and focuses on recovery and re-imagining the City's service delivery model. The adopted budget reinforces the City's commitment to fiscal stewardship, operational efficiency, strategic investments, and effective change management.

City Council adopted the fiscal year 2021-22 Budget and fiscal years 2022 - 2026 Capital Improvement Program at the June 7, 2021 Budget Work Session. The combined capital and operating budget for the fiscal year beginning July 1, 2021 totals \$1.07 billion, which represents a 5.9% increase from the prior fiscal year's budget. The fiscal years 2022 - 2026 Capital Improvement Program totals \$1.85 billion, with \$329.2 million planned for fiscal year 2021-22. The City's capital improvement program includes major facility and equipment needs, establishes capital priorities, and schedules funded projects. The fiscal year 2021-22 budget included a 1.78 cent property tax rate increase. The property tax rate increase includes 0.78 cents for the voter approved \$80.0 million Affordable Housing Bond referendum and a 1.0 cent property tax increase for parks capital maintenance.

Information on the budget can be found on the City's website, including Budget Highlights, Adopted Operating budget book, and the Adopted Capital Improvement Program book. The information is available at the link below:

<https://www.raleighnc.gov/government/content/BudgetManagement/Articles/BudgetsAndProcess.html>

Awards and Acknowledgments

The City has participated in the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting Program since 1980. GFOA recognizes governmental units that issue their annual comprehensive financial report substantially in conformity with generally accepted accounting principles and all legal requirements. The City has received this award for its annual comprehensive financial report for forty (40) straight years since 1980.

A Certificate of Achievement is valid for a period of one year only. The Finance Department believes that the current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and it will be submitted to the GFOA to determine its eligibility for another certificate.

The preparation of this report has been accomplished by the City's Finance Department staff. The contributions of all are invaluable and clearly reflect the high standards set here at the City of Raleigh. The Finance Department wishes to thank all employees, as they support the strategic vision and financial well-being of the City.

It is also appropriate to thank the Mayor and members of the City Council for making possible the excellent financial position of the City through their interest and support in planning and conducting the financial affairs of the City.

Respectfully submitted,



Marchell Adams-David • *City Manager*



Allison E. Bradsher • *Chief Financial Officer*



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Raleigh
North Carolina**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morill

Executive Director/CEO



Raleigh

FINANCIAL SECTION



Report of Independent Auditor

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Raleigh, North Carolina (the "City") as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2021, and, the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplemental information as listed in the table of contents be presented to supplement the basic financial statements. Such information, 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 and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual fund statements and schedules, other schedules, the schedule of expenditures of federal and state awards and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal and state awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the State Single Audit Implementation Act, and is also not a required part of the financial statements.

The combining and individual fund statements and schedules and other schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 combining and individual fund statements and schedules and other schedules are fairly stated in all material respects in relation to all of the statements and schedules included within the financial section of the Annual Comprehensive Financial Report.

The introductory information and the statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 29, 2021, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



Raleigh, North Carolina
October 29, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Raleigh (the *City*), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2021. Please read it in conjunction with the transmittal letter at the front of this report and the City's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

The 2020-21 fiscal year was impacted by the global pandemic which began in March 2020. The City continued actions which were implemented at the start of the pandemic and as a result mitigated fiscal impacts and results met expectations. The City's fiscal health overall strengthened, and revenues continued an upward trend in alignment with North Carolina's changes to capacity and gathering restrictions and social distancing requirements. The City continued funding of long-term obligations such as risk management claims, Local Governmental Employees' Retirement System (LGERS), other post-employment benefits (OPEB) and law enforcement officers' special separation allowance (LEOSSA) liabilities on an actuarial basis. Summarized financial highlights are shown below:

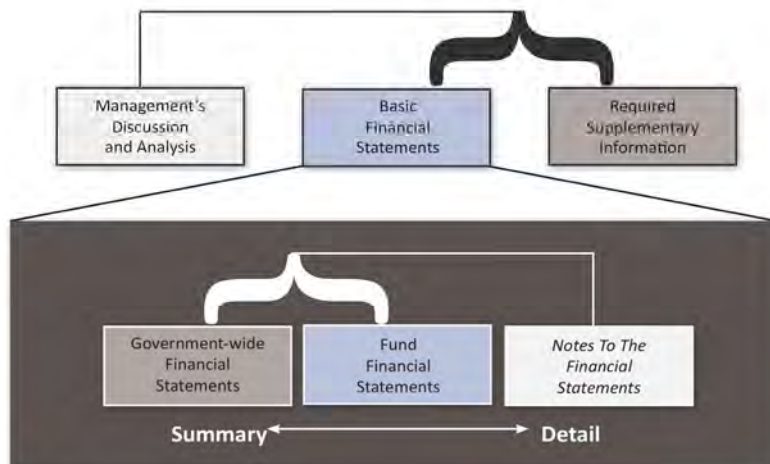
- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$2,907.6 million (*net position*).
 - This amount represents a \$199.5 million increase in operating results from the prior year, or 7.4%
 - Of this amount, \$509.1 million (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors
- As of June 30, 2021, the City's governmental funds reported combined ending fund balances of \$656.1 million.
 - \$427.5 million, or 65.1% is assigned for specific purposes
 - \$168.7 million for future debt service
 - \$112.9 for subsequent years' appropriation
 - \$104.2 million, or 15.9% is unassigned in the general fund and is available for spending
 - \$13.7 million, or 2.1% is considered nonspendable
 - \$103.0 million, or 15.8% is restricted by outside agencies
 - \$7.8 million, or 1.2% is committed for the law enforcement officers' special separation allowance fund
- At the end of the current fiscal year, fund balance for the general fund was \$405.2 million, a 16.2% increase over the prior year and exceeded the City's policy associated with unassigned fund balance.
- Highlights of financing issues and activities for the City during 2020-21 are as follows:
 - The City expanded the existing Public Improvement Bond Anticipation Note (BAN) program pertaining to capital improvements for the City's general governmental needs. The BANs program allows for draws associated with voter general obligation bonds for up to \$163.4 million to finance capital projects for streets and parks. The BANs program also includes tax-exempt two-thirds bonds to finance capital projects for streets, parks and public safety and taxable two-thirds bonds to support housing.
 - The City entered a Revenue BAN program pertaining to water and sewer capital projects. The revenue BAN program allows for draws up to \$200.0 million to finance capital projects for the Raleigh Water enterprise operation.
 - The City entered an installment financing agreement of \$37.0 million for the purchase of stock equipment.
 - The City maintained its AAA/Aaa general obligation and water and sewer bond ratings from all three major rating agencies.

OVERVIEW OF THE FINANCIAL STATEMENTS

The City provides both an introductory and financial section in the Annual Comprehensive Financial Report (ACFR). As Figure A-1 shows, the financial section has three components – management’s discussion and analysis (this section), the basic financial statements and required supplementary information. The basic financial statements include two kinds of statements that present different views of the City:

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the City’s overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the City government, reporting the City’s operations in more detail than the government-wide statements, as follows:
 - Governmental fund statements illustrate how general government services, such as public safety and public infrastructure, for example, were financed in the short-term as well as what remains for future spending.
 - Proprietary fund statements offer short and long-term financial information about the activities the government operates as a business, including the water and sewer enterprise, the convention and performing arts complex (referred to as convention center), and the operations of mass transit, stormwater management, parking facilities and solid waste services. Internal service funds are also presented within this section.
 - Fiduciary fund statements provide information about the financial relationships—for example, the retirement plan for the City’s employees—in which the City acts solely as a trustee or agent for the benefit of others to whom the resources in question belong.

A-1: Components of the Financial Section



The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements, specifically data related to the employee retirement systems and pension plans. Figure A-1 shows how the required parts of this annual report are arranged and relate to one another. The remainder of this overview section of management’s discussion and analysis explains the structure and contents of each of the statements.

Government-wide financial statements. The *government-wide financial statements* are designed to provide the reader with a broad overview of the City'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 City's financial status as a whole.

The *statement of net position* presents information on all of the City's assets and deferred outflows of resources compared to liabilities and deferred inflows of resources, with the difference between reported as *net position*. This statement combines and consolidates governmental fund's current financial resources (short-term spendable resources) with capital assets and long-term obligations. Over time, increases and decreases in net position may serve as useful indicators of whether the financial position of the City is improving or deteriorating.

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

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). This is intended to simplify and summarize the user's analysis of the cost of various governmental services and/or subsidy to various business-type activities. The governmental activities of the City include general government, community development services, public infrastructure, public safety, leisure services, and economic development programs. The business-type activities of the City include water and sewer, convention center complex, mass transit, stormwater management, parking facilities and solid waste services.

The government-wide financial statements include the Walnut Creek Financing Assistance Corporation (*WCFAC, a blended component unit*), an organization formed to be the financing conduit for certain debt issuances, such as certificate of participation. The WCFAC, although legally separate, functions for all practical purposes as a department of the City, and therefore has been included as an integral part of the primary government.

The government-wide financial statements can be found on pages 1 - 3 of this report.

Fund financial statements. Traditional users of governmental fund financial statements will find the fund financial statements presentation more familiar. However, the focus is on major funds, rather than the individual fund types. The fund financial statements provide a more detailed look at the City'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 City of Raleigh, like all other governmental entities in North Carolina, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements, such as the general statutes or the City's budget ordinance. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

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

The City maintains eighteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for the general fund, which is a major fund. Data from the other seventeen non-major governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The City adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 1 - 9 of this report.

Proprietary funds. The City maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for its water and sewer, convention center operations, parking facilities, mass transit, stormwater management operations, and solid waste services. *Internal service funds* are an accounting device used to accumulate and allocate costs internally amongst the City's various functions. The City uses internal service funds to account for governmental and business-type activities, such as risk management, employees' health benefits trust and vehicle fleet services. The City also maintains equipment replacement funds for governmental, solid waste services and public utilities. These internal services benefit government-wide functions except for the public utilities and solid waste services equipment replacement funds, which benefit business-type functions. These services have been included within their respective predominant activities in the government-wide financial statements.

Proprietary fund statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the six enterprise funds, all reported as major. Conversely, all internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of *combining statements* elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 12 - 19 of this report.

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

The basic fiduciary fund financial statements can be found on pages 20 - 21 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 23 - 76 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the City of Raleigh's progress in funding its obligation to provide pension benefits to City employees, which includes Other Post-Employment Benefits (OPEB), Local Government Employees' Retirement System (LGERS), as well as Law Enforcement Officers' Special Separation Allowance (LEOSSA). Required supplementary information can be found on pages 77 - 84 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds are presented immediately following the required supplementary information on pensions. Combining and individual fund statements and schedules can be found on pages 85 - 157 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted previously, net position may serve over time as a useful indicator of a government's financial condition. The City's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$2,907.6 million at the close of the most recent fiscal year, which increased by \$199.5 million from the previous fiscal year.

The following table reflects the condensed Statement of Net Position:

City of Raleigh's Net Position <i>(in millions of dollars)</i>						
	Governmental Activities		Business-Type Activities		Total Activities	
	2020	2021	2020	2021	2020	2021
Current and other assets	\$744.6	\$834.6	\$642.7	\$681.5	\$1,387.3	\$1,516.1
Capital assets	1,287.8	1,332.1	2,148.2	2,280.9	3,436.0	3,613.0
Total assets	2,032.4	2,166.7	2,790.9	2,962.4	4,823.3	5,129.1
Deferred outflows of resources	78.9	105.4	106.1	91.2	185.0	196.6
Total assets and deferred outflows of resources	2,111.3	2,272.1	2,897.0	3,053.6	5,008.3	5,325.7
Long-term liabilities outstanding	646.4	655.7	1,054.6	1,085.5	1,701.0	1,741.2
Net pension liabilities	267.9	305.7	80.5	88.1	348.4	393.8
Other liabilities	48.8	98.1	143.0	128.1	191.8	226.2
Total liabilities	963.1	1,059.5	1,278.1	1,301.7	2,241.2	2,361.2
Deferred inflows of resources	42.5	41.3	16.6	15.7	59.1	57.0
Total liabilities and deferred inflows of resources	1,005.6	1,100.8	1,294.7	1,317.4	2,300.3	2,418.2
Net investment in capital assets	753.4	835.3	1,135.6	1,247.1	1,889.0	2,082.4
Restricted	346.9	316.1	-	-	346.9	316.1
Unrestricted	5.4	20.0	466.7	489.1	472.1	509.1
Total net position	\$ 1,105.7	\$ 1,171.4	\$ 1,602.3	\$ 1,736.2	\$ 2,708.0	\$ 2,907.6

By far the largest portion of the City's net position (\$2,082.4 million or 71.6%) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment) net of any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of outstanding related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

A portion of the City's net position (\$316.1 million or 10.9%) represents resources that are subject to external restrictions on the use of these resources. The largest portions of restricted net position are for capital projects (\$120.3 million) and community development projects (\$130.7 million). The remaining balance of unrestricted net position (\$509.1 million or 17.5%) may be used to meet the City's ongoing operations.

The City's results yielded a \$199.6 million increase in net position, which is an increase from the prior year as the City continued to rebound from the ongoing impacts of the global pandemic. The City's continued investment in capital assets, moderate growth in certain revenues and continued diligent monitoring of expenditures yielded positive fiscal impacts.

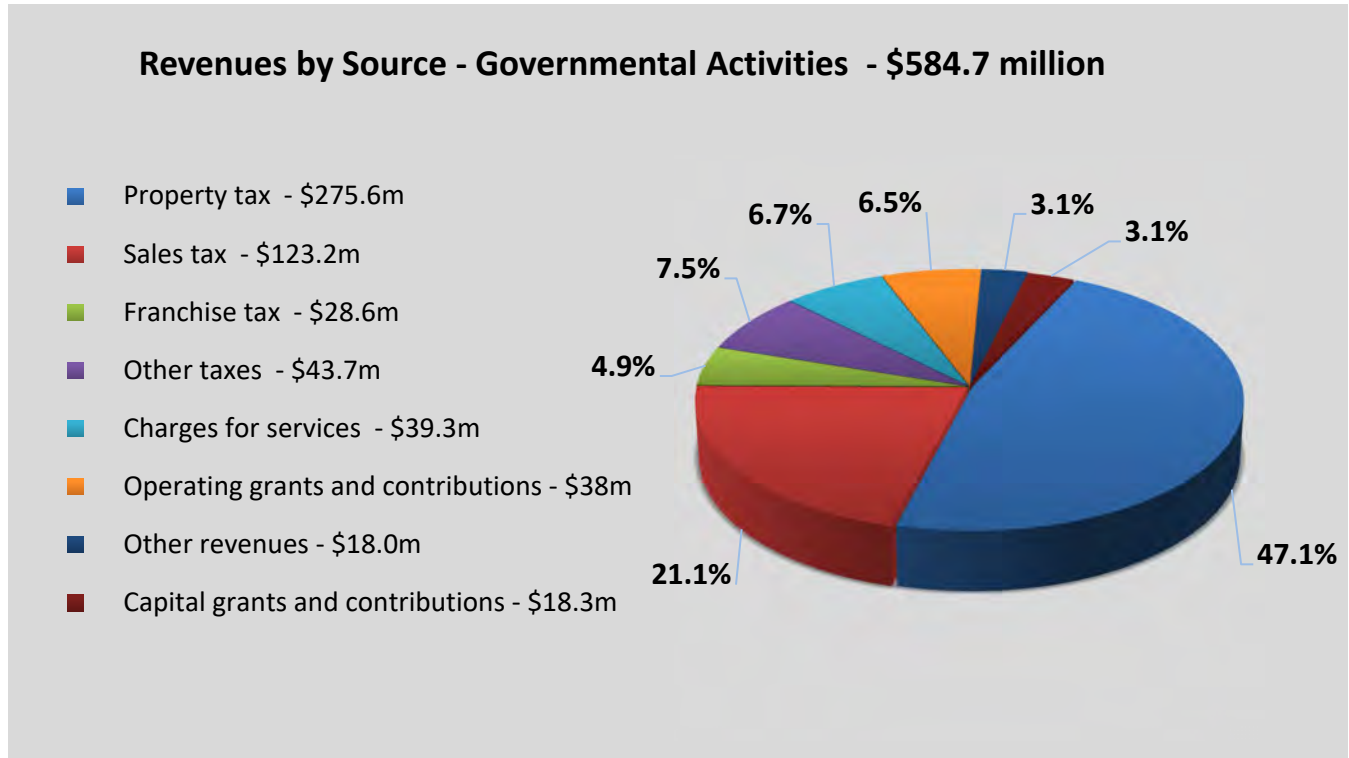
City of Raleigh's Changes in Net Position

(in millions of dollars)

	Governmental Activities		Business-Type Activities		Total Activities	
	2020	2021	2020	2021	2020	2021
Revenues:						
Program revenues:						
Charges for services	\$ 35.0	\$ 39.3	\$ 350.2	\$ 347.5	\$ 385.2	\$ 386.8
Operating grants and contributions	40.8	38.0	15.8	18.2	56.6	56.2
Capital grants and contributions	19.1	18.3	26.8	28.3	45.9	46.6
General revenues:						
Property taxes	271.2	275.6	-	-	271.2	275.6
Other taxes	174.7	195.5	-	-	174.7	195.5
Other	19.5	18.0	17.7	6.0	37.2	24.0
Total revenues	560.3	584.7	410.5	400.0	970.8	984.7
Expenses:						
General government	63.1	64.6	-	-	63.1	64.6
Community development services	38.9	27.7	-	-	38.9	27.7
Public infrastructure	79.1	89.9	-	-	79.1	89.9
Public safety	191.2	192.4	-	-	191.2	192.4
Leisure services	67.9	64.4	-	-	67.9	64.4
Economic development programs	3.2	8.8	-	-	3.2	8.8
Interest on long-term debt	16.2	16.4	-	-	16.2	16.4
Water and sewer	-	-	182.4	185.6	182.4	185.6
Convention center complex	-	-	35.6	26.9	35.6	26.9
Mass transit	-	-	47.0	37.0	47.0	37.0
Parking facilities	-	-	13.8	12.9	13.8	12.9
Solid waste services	-	-	38.1	40.6	38.1	40.6
Stormwater management	-	-	19.5	20.5	19.5	20.5
Total expenses	459.6	464.2	336.4	323.5	796.0	787.7
Increase in net position before transfers	100.7	120.5	74.1	76.5	174.8	197.0
Transfers in (out)	(67.8)	(56.8)	67.8	56.8	-	-
Gain on the sale of property	1.9	2.0	0.9	0.6	2.8	2.6
Capital contribution	-	-	-	-	-	-
Increase in net position	34.8	65.7	142.8	133.9	177.6	199.6
Net position, beginning of year	1,070.9	1,105.7	1,459.5	1,602.3	2,530.4	2,708.0
Net position, end of year	\$ 1,105.7	\$ 1,171.4	\$ 1,602.3	\$ 1,736.2	\$ 2,708.0	\$ 2,907.6

GOVERNMENTAL ACTIVITIES

Revenues for the City’s governmental activities were \$584.7 million, while expenses were \$464.2 million. The increase in net position from operations for governmental activities (after transfers out of \$56.8 million and a gain on the sale of property of \$2.0 million) was \$65.6 million. The current year revenue increase was driven primarily by strong sales tax collections and development user fees activity, which more than offset the decline in parks and recreation revenues. Current year expenses increased moderately and are in-line with expected operating increases. Transfers out decreased from the prior year as management focused available funding to support critical business needs.



The reported results for the fiscal year for the governmental activities:

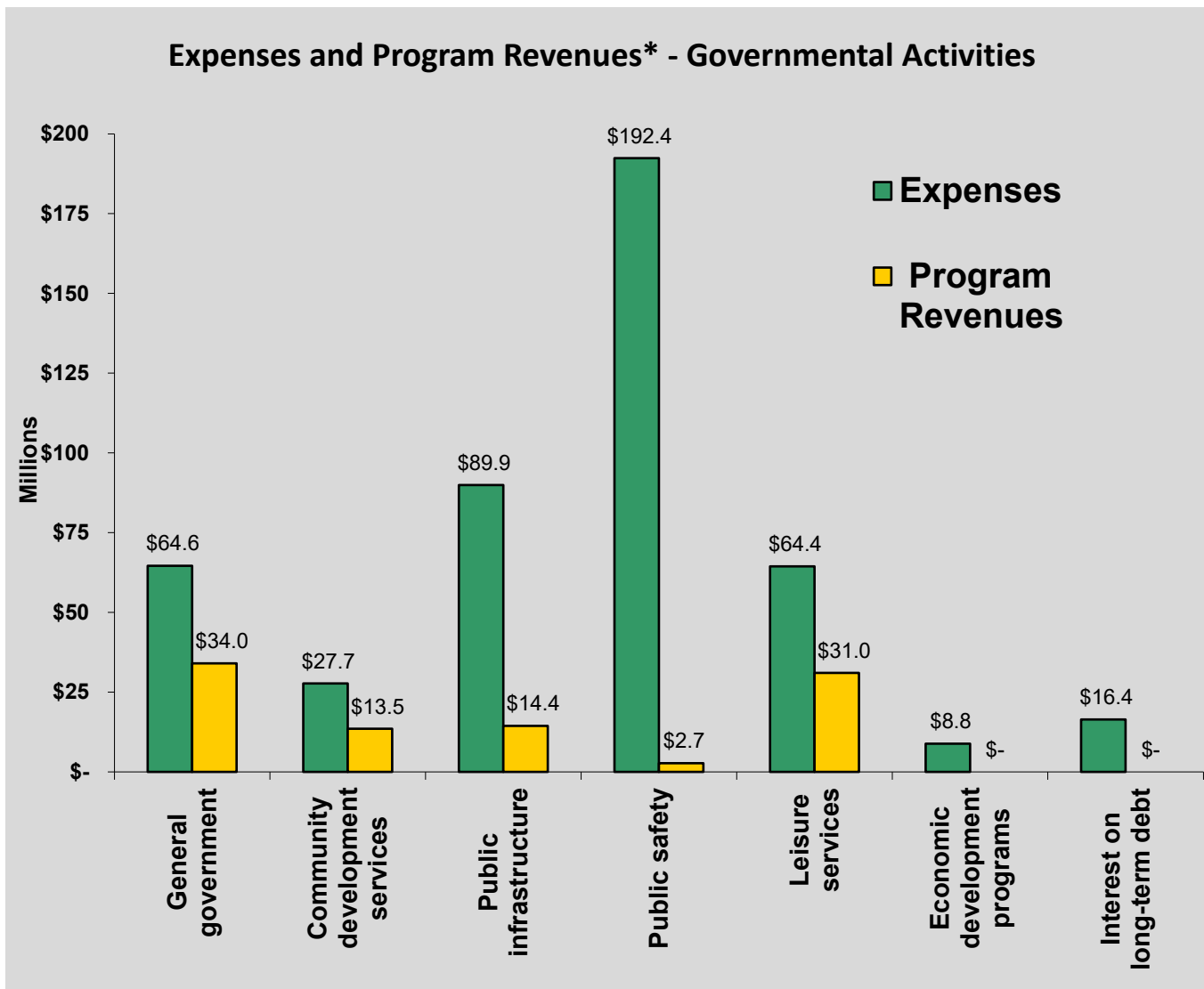
- The City received \$489.1 million (or 83.7%) in general revenues from taxes and other revenues:
 - Property taxes - \$275.6 million
 - Sales taxes - \$123.2 million
 - Franchise taxes - \$28.6 million
 - Other taxes - \$43.7 million
 - Other revenues - \$18.0 million
- General revenues are used to pay for the \$368.6 million net cost of governmental activities, which represents the cost of services not covered by program revenues.
- Those who directly benefited from governmental service-fee based programs, such as ones involving parks, recreation and cultural resources and development and inspection related fees, paid \$39.3 million in charges for those services.
- Other governments and organizations subsidized certain City programs with grants and contributions totaling \$56.2 million.
 - Support from various federal and state and local agencies – \$37.2 million
 - Interlocal support from Wake County for debt service and other expenses on the convention center complex - \$19.0 million.

- The total cost of all governmental activities this year was \$464.2 million. This cost was incurred to provide comprehensive municipal services to the citizens of Raleigh. These services include but are not limited to public safety (police, fire, emergency communication), public infrastructure (street maintenance, transportation), leisure services (parks, recreation and cultural resources), and general government (city management, finance, information technology).

The City's four largest governmental programs represent 88.7% of the total governmental activities:

- Public safety – 41.5%
- Public infrastructure – 19.4%
- Leisure services – 13.9%
- General government – 13.9%

As depicted on the chart below, program expenses exceed program revenues for all governmental activities. This is expected as other general sources of revenue such as property taxes and sales taxes received by the City are used to subsidize the gap between program expenditures and program revenues.



* Program revenues include charges for services, grant revenues and capital contributions

BUSINESS-TYPE ACTIVITIES

Revenues of the City's business-type activities were \$400.0 million, and expenses were \$323.5 million. The increase in net position from operations for business-type activities (after transfers in of \$56.8 million and a gain on the sale of property of \$0.6 million) was \$133.9 million in 2021.

The following table shows the total cost and net cost or revenue for these services.

Net Cost of Business-Type Activities <i>(in millions of dollars)</i>				
	Total Cost of Services		Net (Cost) Revenue of Services	
	2020	2021	2020	2021
Water and sewer	\$ 182.4	\$ 185.6	\$ 89.5	\$ 103.5
Convention center complex	35.6	26.9	(23.2)	(24.1)
Mass transit	47.0	37.0	(7.4)	(6.8)
Parking facilities	13.8	12.9	0.7	(2.2)
Solid waste services	38.1	40.6	(7.2)	(5.2)
Stormwater management	19.5	20.5	4.1	5.3
Total	\$ 336.4	\$ 323.5	\$ 56.5	\$ 70.5

The largest business-type operation is the City's water and sewer utility. Water and sewer utility operations are supported by financial models to ensure both operational and capital infrastructure needs are maintained and properly funded. Water and sewer operating revenue of \$271.0 million in 2020-21 reflects an increase of 2.7% from the prior year. The increase in revenue was consistent with management's expectations and is in alignment with financial projection models. Raleigh Water actively partnered with water and sewer customers to manage utility bills in light of economic household hardships associated with the pandemic. Operating expenses of \$158.8 million increased 1.5% from prior year in line with management's expectations.

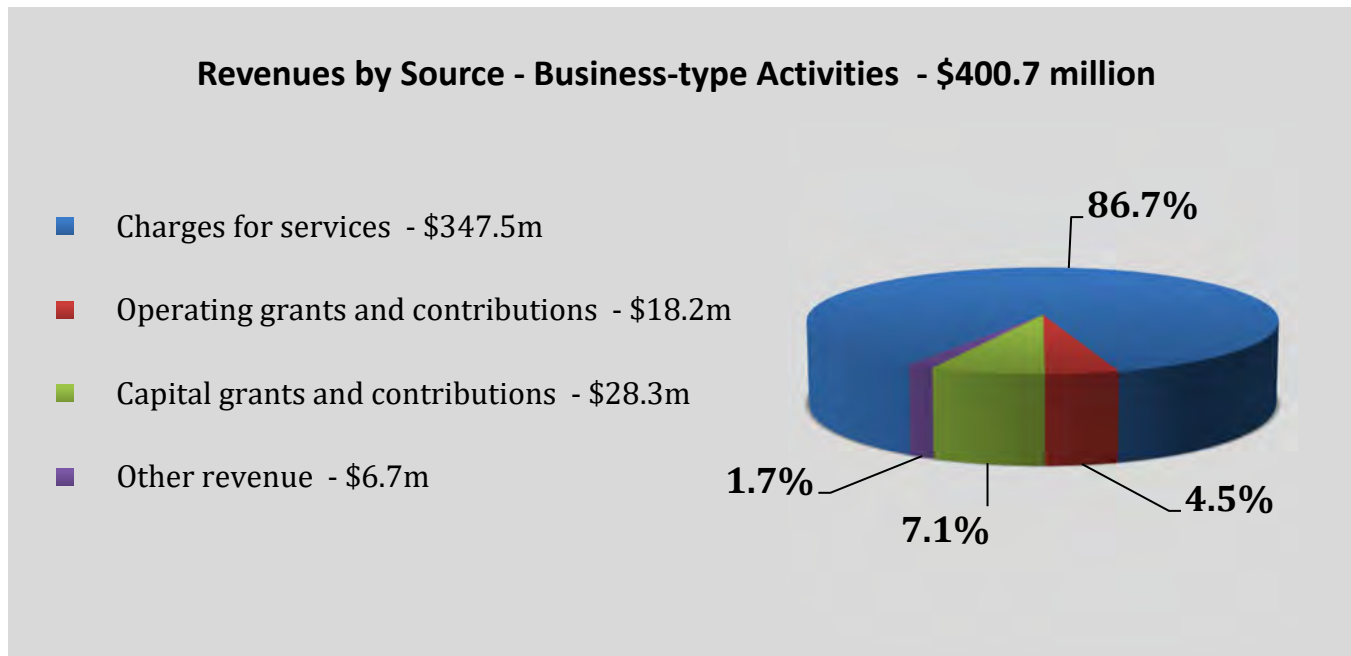
An industry that continues to be significantly impacted by the pandemic in Raleigh as well as across the nation is the entertainment, convention and meeting sectors. Convention Center and Performing Arts Complex operations, including the Performing Arts venue, recognized \$2.7 million of operating revenues in 2020-21, a decrease of 77.9% from prior year as a result of impacts on the ability to host events for much of the fiscal year 2020-21 largely driven by North Carolina's capacity and mass gathering restrictions. Operating expenses of \$20.1 million decreased 24.5% from 2019-20 as management proactively managed expenditures during facility closures. The Convention Center Complex is partially funded by outside sources, specifically Wake County interlocal room occupancy tax as well as prepared food and beverage tax. Due to the continued impact of the global pandemic on the hospitality sector and the County's prepared food and beverage and occupancy tax collections declined. In addition, the general fund provides a subsidy to the Performing Arts Center. The Convention Center complex results fell short of budget expectations which resulted in a use of fund balance and management continues to closely monitor the enterprise operations.

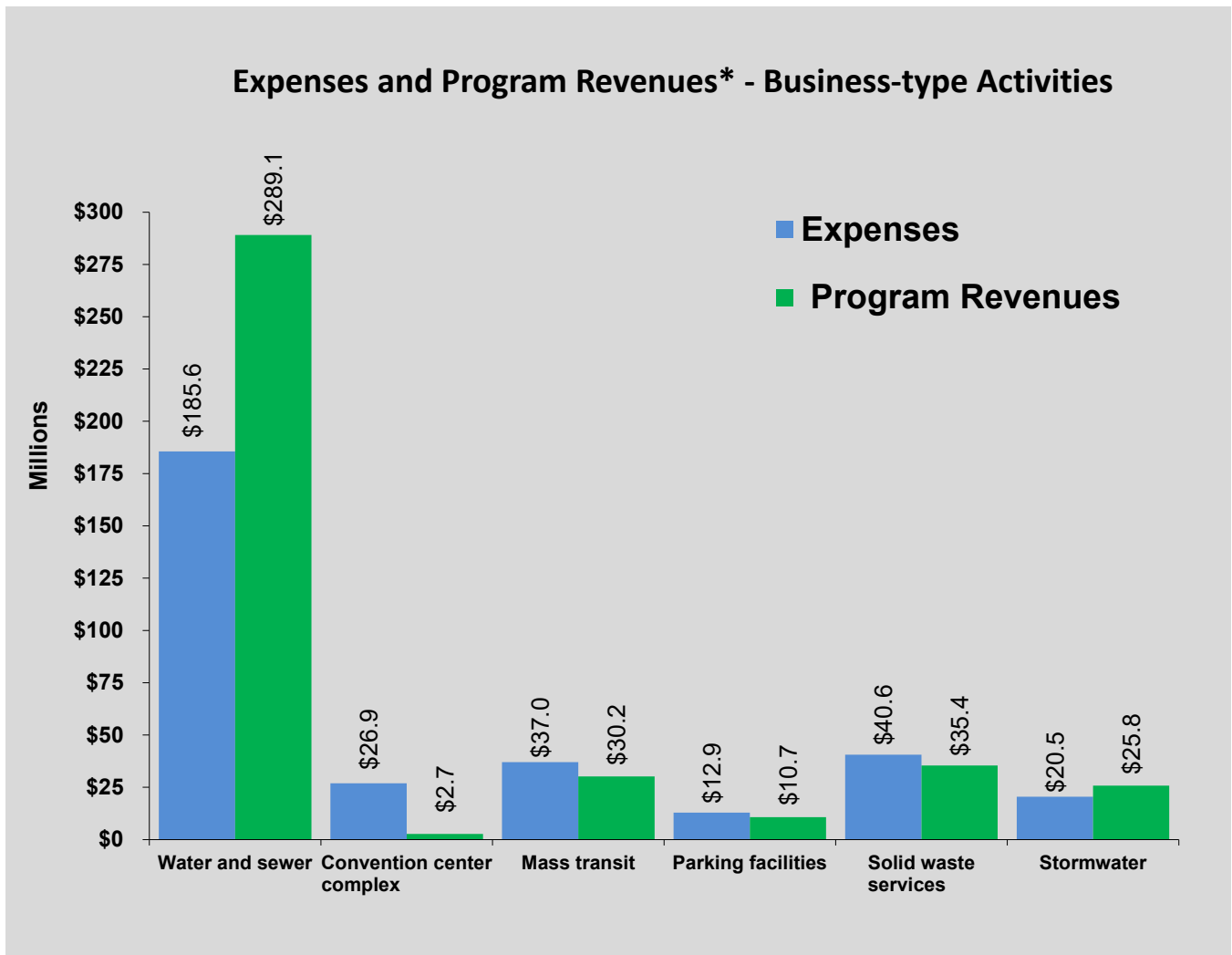
The Parking enterprise continues to be impacted by the global pandemic in Raleigh and nationwide, generating a decline in demand for off-street and special event parking in the downtown areas. The parking operations generated \$10.7 million of operating revenues in 2020-21, a decrease of 25.8% from prior year driven by a full year of reduced parking demand. On-street and special event parking revenues were significantly impacted as many downtown businesses continued to utilize remote work environment which reduced demand for on-street and off-street parking. Operating expenses of \$11.8 million decreased 2.1% from 2019-20, as a result of the monitoring of expenditures due to revenue losses. Due to the prolonged impacts of the pandemic, the parking enterprise did not meet budget expectations which resulted in a use of fund balance and management continues to closely monitor the enterprise operations.

Mass transit operating revenues of \$1.8 million in 2020-21 reflects a 62.7% decrease from the prior year driven by the continuation of the suspension of fares to reduce community spread from the pandemic. Operating expenses decreased to \$37.0 million or 21.2% decrease compared to the prior year primarily due to reduced route operating and maintenance costs associated with reduced ridership for the majority of the year. The mass transit operations are subsidized by the general fund, at the federal and state level through grant funding and through the Wake County Transit Plan which distributes 0.5% sales tax collected within the county to support new and improved transit services. Overall, mass transit operations met expectations.

Stormwater management generated operating revenues of \$25.8 million in 2020-21, an increase of 9.4% from prior year, the result of \$0.50 per month approved rate increases implemented in 2020-21. Operating expenses of \$20.5 million increased 5.2% from 2019-20, which reflects an increase in operational costs such as contracted services. Results are consistent with expectations.

Solid waste services operating revenues of \$34.9 million in 2020-21 reflects a 14.5% increase from the prior year due to an approved \$2.00 per month rate increase on residential waste collections. Solid waste services operations are partially subsidized by the general fund. Operating expenses of \$39.7 million increased 9.2% as compared to 2019-20 due to operational needs supported by the approved rate increase. Overall results are in line with expectations.





* Program revenues include charges for services, grant revenues and capital contributions

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As noted earlier, the City of Raleigh uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City's financing requirements. In particular, *assigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the fiscal year, the City of Raleigh's governmental funds reported combined ending fund balances of \$656.2 million, an increase of \$19.5 million or 3.1%, in comparison with the prior year. The fund balance increase in 2020-21 was the result of continued strong economic drivers in Raleigh and ongoing management of expenditures.

Classification of fund balance is as follows:

- Approximately 2.1% is *nonspendable*, representing the City's investment in inventories as well as loans receivable arising from community and economic development program initiatives.
- Approximately 15.7% is not available and *restricted* for:
 - State statute - \$63.4 million
 - Debt service costs - \$35.7 million
 - Federal program reserves - \$1.8 million
 - Public safety - \$2.1 million
- Approximately 65.0% constitutes *assigned* fund balance, which is available for spending at the government's discretion.
- Approximately 1.2% is *committed* for the law enforcement officers' separation allowance plan.
- The remaining 15.9% is *unassigned* and represents the City's residual net resources.

Governmental Fund Balance Classification at June 30, 2021				
<i>(in millions of dollars)</i>				
	Major General Fund	Nonmajor Governmental	Total Governmental	%
Nonspendable	\$ 13.7	\$ -	\$ 13.7	2.1%
Restricted:				
State statute	63.4	-	63.4	9.7%
Debt service	-	35.7	35.7	5.4%
Federal programs	1.8	-	1.8	0.3%
Public safety	-	2.1	2.1	0.4%
	65.2	37.8	103.0	15.8%
Committed	7.8	-	7.8	1.2%
Assigned	214.3	213.2	427.5	65.0%
Unassigned	104.2	-	104.2	15.9%
Total fund balance	\$ 405.2	\$ 251.0	\$ 656.2	100.0%

The general fund is the primary operating fund which contains the general government operations and governmental debt activities for the City. The fund balance of the general fund increased by \$56.6 million during the current fiscal year. General fund revenues exceeded the budget by \$22.4 million for the current year. Revenues were utilized for normal City programs and ongoing operations. Decreases to expense was driven primarily by reduced part time personnel costs and monitoring of facility operating costs associated with closures due to the Governor's orders surrounding reduced capacity for programming and other activities at various parks and recreation centers.

The North Carolina Local Government Commission strongly recommends that local governments maintain an unassigned fund balance of at least 8.0% of general fund expenditures. The City's policy is to maintain an unassigned fund balance of at least 14.0% of the succeeding year's expenditure budget. Unassigned fund balance of \$104.2 million represents 18.9% of the 2021-22 general fund expenditure budget. Unassigned fund balance is the amount remaining after management's policy designations. City Council will review unassigned fund balance in excess of the internal 14.0% policy at fiscal year-end to determine, at their discretion, if they want to appropriate amounts for one-time obligations during the next budget year to support key City initiatives and projects.

Proprietary funds. The City of Raleigh's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. All enterprise funds are treated as major funds and include the water and sewer, convention and performing arts complex, mass transit, stormwater management, parking facilities and solid waste services funds. Additional discussion concerning the finances of these funds has already been addressed in the discussion of the City's business-type activities.

BUDGETARY HIGHLIGHTS

During the fiscal year, City Council approved various modifications to the original, approved budget. Generally, budget amendments fall into one of four categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once final information is available; 2) amendments made to recognize new funding amounts from external sources, such as from Federal or State grants; 3) increases in appropriations that become necessary to maintain services; and 4) amounts that are carried over from the previous year and re-designated for the subsequent year's expenditures.

General Fund. General fund revenues overall continued to increase, including the City's primary revenue streams of property tax and sales tax. General fund expenditures came in well below budget, which resulted in a positive budget variance of \$60.4 million. All expenditure functions and departments reported positive budget variances, which is a result of conservative budget practices as well as the City's continued commitment towards cost management efforts.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. The City of Raleigh's cumulative investment in capital assets for its governmental and business-type activities, as of June 30, 2021, amounts to \$3.6 billion (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, watershed protection rights, buildings and machinery, water and sewer systems, streets and sidewalks, parking decks, buses, equipment, furniture and fixtures, enterprise-wide software, and general improvements. The City's investment in capital assets for the current fiscal year was \$177.0 million, a 5.2% increase over prior year.

Major capital asset investments during the fiscal year included the following:

- Construction began and/or was completed for governmental activities including a variety of street, park and building improvement projects. Total governmental projects completed and capitalized in fiscal year 2020-21 were \$92.9 million. Highlights include:
 - Street and sidewalk improvements were completed for a total capitalized cost of \$27.5 million
 - Park site improvements and park land acquisitions were completed for a total capitalized cost of \$18.9 million
 - Raleigh Union Station enhancement projects were completed for a total capitalized cost of \$4.1 million

- Governmental equipment acquisitions added \$7.8 million to the City's rolling stock inventory
- Construction in progress for all governmental activities was \$377.9 million
- Construction began and/or was completed for various enterprise operations. Total enterprise projects completed and capitalized in fiscal year 2020-21 amounted to \$58.1 million. Enterprise capital asset investments completed during the year included:
 - Water & Sewer Utility projects including facility improvements and repairs totaled \$47.9 million
 - Stormwater projects were completed for \$0.9 million
 - Transit projects supporting Wake Transit activities in the New Bern Transit Corridor for \$4.3 million
 - RCC projects for various security and building upgrades –for a combined \$4.5 million
- Enterprise equipment acquisitions added \$7.4 million to the City's rolling stock inventory
- Construction in progress for all enterprise activities was \$803.3 million
- Annexations added \$5.0 million to streets for governmental activities and \$17.9 million to water and sewer systems for the business-type activities

Capital Assets*							
<i>(in millions of dollars)</i>							
	Governmental Activities		Business-type Activities		Total Activities		
	2020	2021	2020	2021	2020	2021	
Land	\$ 214.8	\$ 218.9	\$ 94.5	\$ 95.1	\$ 309.3	\$ 314.0	
Construction in progress	381.2	377.9	691.5	803.3	1,072.7	1,181.2	
Watershed protection rights	-	-	4.8	4.8	4.8	4.8	
Buildings and machinery	221.1	250.2	254.5	244.6	475.6	494.8	
Water and sewer systems	-	-	789.9	807.4	789.9	807.4	
Streets and sidewalks	227.9	234.3	-	-	227.9	234.3	
Parking decks	-	-	98.0	93.9	98.0	93.9	
Buses	-	-	21.6	21.6	21.6	21.6	
Equipment	36.2	36.3	32.9	29.8	69.1	66.1	
Improvements	183.3	193.5	160.5	180.4	343.8	373.9	
Enterprise-wide software	23.3	21.0	-	-	23.3	21.0	
Total	\$ 1,287.8	\$ 1,332.1	\$ 2,148.2	\$ 2,280.9	\$ 3,436.0	\$ 3,613.0	

*Amounts shown net of accumulated depreciation

Additional information on the City's capital assets can be found on pages 34 - 35 of the notes to the financial statements of this report.

Long-term debt. At the end of the current fiscal year, the City had total general obligation bonds outstanding of \$246.9 million. The remainder of the City's debt represents general bond anticipation notes (\$80.3 million), revenue bonds (\$607.1 million), revenue bond anticipation notes (\$30.1 million) and installment financing agreements (\$628.8 million – installment notes, certificates of participation, limited obligation bonds, etc.) secured solely by specified revenue sources and property.

Long-Term Debt (in millions of dollars)						
	Governmental Activities		Business-type Activities			
	2020	2021	2020	2021	2020	2021
General obligation bonds	\$ 271.4	\$ 246.9	\$ -	\$ -	\$ 271.4	\$ 246.9
Revenue bonds	-	-	638.0	607.1	638.0	607.1
Installment financing agreements	242.1	231.2	364.3	397.6	606.4	628.8
Bond anticipation notes*	34.8	80.3	-	30.1	34.8	110.4
Total	\$ 548.3	\$ 558.4	\$ 1,002.3	\$ 1,034.8	\$ 1,550.6	\$ 1,593.2

* Bond anticipation notes for governmental activities were previously consolidated with General obligation bonds

State statute limits the amount of general obligation debt a governmental entity may issue to 8.0% of the total assessed value of taxable property. The City's outstanding net debt of \$1,266.7 million (*Legal Debt Margin Information statistical schedule*) is significantly less than the current debt limitation of \$4,954.3 million.

The City's ongoing strong financial condition is evidenced by the continuation of its highest level Aaa rating from Moody's Investors Service and AAA ratings from S&P Global and Fitch Ratings. All three of these top credit rating agencies maintain the highest rating category level on both the general obligation and public utility revenue secured bonds issued by the City. Raleigh is one of the few cities in the nation to have achieved these superior credit ratings, providing benefits such as obtaining the lowest interest costs for the City's outstanding debt issuances.

Further detailed information on the City of Raleigh's long-term debt can be found in the notes to the financial statements on pages 39 - 53 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

As noted in the above discussion and analysis, the financial results for the year ended June 30, 2021, reflects impacts in the local economy due to ongoing global pandemic. As the City looks ahead to fiscal year 2021-2022, there is uncertainty regarding the continued economic impacts and duration of the global pandemic. The 2021-2022 adopted budget included moderate growth assumptions for property tax and anticipated increases on delinquent collections. The fiscal year 2021-22 budget included a 1.78 cent property tax rate increase. The property tax rate increase includes 0.78 cents for the voter approved \$80.0 million Affordable Housing Bond referendum and a 1.0 cent property tax increase for parks capital maintenance. Sales tax is expected to remain volatile, and management will review trends as impacts such as household income, potential supply chain issues and general consumer sentiment. Management continues to monitor expense management actions implemented at the beginning of the pandemic. These actions ensure the City is well positioned to meet fund balance goals and to maintain the AAA/Aaa general credit ratings in the future. The City did receive a direct allocation from the Federal government specific to the 'American Rescue Plan of 2021' and will be partnering with management, City Council and the community to utilize the funding in meaningful ways. City management will continue to actively monitor the global pandemic and its impacts on the City's finances.

Through the following budget highlights, City management and staff remain committed to providing Raleigh citizens a high quality of service at a reasonable cost.

Highlights of the City's budget for the 2021-22 fiscal year include the following:

- The 2021-22 combined budgets for operating and capital programs total \$1,069.8 million, representing a 5.8% increase from the 2020-21 combined budget.
- The adopted General Fund budget for 2021-22 of \$544.0 million increased 7.1% over the prior year adopted budget due to improvement in City growth in key revenues as outlined below and unprecedented federal stimulus.
 - The primary revenue source, property taxes, is budgeted at \$290.0 million, an increase of \$15.3 million, or 5.6% from 2021-22 primarily due to the property tax rate increases discussed above.
 - The 2021-22 sales tax budget was rightsized given historic collections fueled by Federal programs designed to impact the US economy and was increased to \$113.8 million, an increase of \$13.2 million, or 13.1% from 2020-21.
- Consistent with the City's multi-year utility rate model, the budget for water and sewer user charges increased slightly from \$248.9 million to \$262.2 million for the 2021-22 budget year.
- The 2021-22 capital budget includes new and/or continuing projects totaling \$329.2 million, including transportation, transit, parks, utilities, parking, and general public facilities projects.

REQUESTS FOR INFORMATION

This report is designed to provide readers with a full accountability of the City of Raleigh's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the:

Office of the Chief Financial Officer
City of Raleigh
PO Box 590
Raleigh, North Carolina 27602
(919) 996-3215

Basic Financial Statements

The Basic Financial Statements provide a dual perspective summary overview of the financial position and operating results of the government as a whole (government-wide financial statements) and of all funds (fund financial statements). They also serve as a condensed introduction to the more detailed statements and schedules that follow.

STATEMENT OF NET POSITION

June 30, 2021

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 568,519,071	\$ 575,625,367	\$ 1,144,144,438
Taxes receivable, net of allowance for uncollectibles of \$10,081,469	590,546	-	590,546
Assessments receivable, net of allowance for uncollectibles of \$216,328	548,450	374,429	922,879
Customer receivables, net of allowance for uncollectibles of \$9,713,510	30,690	32,764,228	32,794,918
Franchise tax receivable	7,243,653	-	7,243,653
Due from transit management	-	987,225	987,225
Due from other governmental agencies	20,460,142	13,384,900	33,845,042
Accrued interest receivable	2,339,503	1,510,774	3,850,277
Other receivables and assets	2,597,372	99,939	2,697,311
Sales tax receivable	37,668,393	4,790,216	42,458,609
Internal balances	11,420,729	(11,420,729)	-
Inventories	2,383,961	10,241,479	12,625,440
Loans receivable, net of allowance \$9,817,980	76,406,024	-	76,406,024
Cash and cash equivalents/investments - restricted deposits and bond proceeds	104,398,678	53,186,778	157,585,456
Capital assets:			
Land, construction in progress, watershed protection rights	596,799,420	903,197,680	1,499,997,100
Other capital assets, net of depreciation	735,318,074	1,377,677,544	2,112,995,618
Total assets	2,166,724,706	2,962,419,830	5,129,144,536
DEFERRED OUTFLOWS OF RESOURCES			
Unamortized refunding charges	6,885,818	21,907,405	28,793,223
Pension deferrals - LEOSSA	23,986,902	-	23,986,902
Pension deferrals - LGERS	61,701,472	11,580,320	73,281,792
Pension deferrals - OPEB	12,869,909	4,846,758	17,716,667
Accumulated decrease in fair value of hedging derivatives	-	52,863,017	52,863,017
Total deferred outflows of resources	105,444,101	91,197,500	196,641,601
LIABILITIES			
Accounts payable	14,907,251	27,519,253	42,426,504
Accrued salaries and employee payroll taxes	12,540,392	2,184,232	14,724,624
Accrued interest payable	3,426,968	8,157,699	11,584,667
Sales tax payable	23,219	90,475	113,694
Loan servicing escrow	776,975	-	776,975
Due to other governmental agencies	592,694	2,087,724	2,680,418
Due to fiduciary funds	168,455	-	168,455
Other current liabilities	63,817	-	63,817
Escrow and other deposits payable from restricted assets	1,849,641	35,235,856	37,085,497
Reimbursable facility fees	10,359,089	-	10,359,089
American Rescue Plan Act (ARPA) liability	36,646,182	-	36,646,182
Emergency Rental Assistance (ERA) liability	16,717,226	-	16,717,226
Derivative instrument liability	-	52,863,017	52,863,017
Long-term liabilities:			
Due within one year	82,535,509	71,423,173	153,958,682
Due in more than one year	573,168,332	1,014,051,564	1,587,219,896
Net pension liability - LEOSSA	69,238,341	-	69,238,341
Net pension liability - LGERS	98,165,189	36,450,057	134,615,246
Net pension liability - OPEB	138,305,172	51,628,926	189,934,098
Total liabilities	1,059,484,452	1,301,691,976	2,361,176,428
DEFERRED INFLOWS OF RESOURCES			
Deferred revenue	2,328,326	1,530,926	3,859,252
Pension deferrals - LEOSSA	895,023	-	895,023
Pension deferrals - LGERS	1,626,528	629,358	2,255,886
Pension deferrals - OPEB	36,340,158	13,572,560	49,912,718
Prepaid taxes and assessments	115,604	-	115,604
Total deferred inflows of resources	41,305,639	15,732,844	57,038,483
NET POSITION			
Net investment in capital assets	835,295,059	1,247,085,111	2,082,380,170
Restricted for:			
Capital projects	120,263,012	-	120,263,012
Community development projects	130,697,752	-	130,697,752
Stabilization by state statute	63,349,343	-	63,349,343
Federal programs	1,764,805	-	1,764,805
Unrestricted	20,008,745	489,107,399	509,116,144
Total net position	\$ 1,171,378,716	\$ 1,736,192,510	\$ 2,907,571,226

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

STATEMENT OF ACTIVITIES

For the Fiscal Year Ended June 30, 2021

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 64,613,705	\$ 29,644,536	\$ 4,364,164	\$ 1,816
Community development services	27,678,719	3,153,670	7,154,482	3,186,546
Public infrastructure	89,897,316	1,963,095	3,324,338	9,108,749
Public safety	192,409,014	-	2,638,067	-
Leisure services	64,369,296	4,533,368	20,468,858	5,986,123
Economic development programs	8,816,702	-	-	-
Interest and other debt service	16,381,350	-	-	-
Total governmental activities	<u>464,166,102</u>	<u>39,294,669</u>	<u>37,949,909</u>	<u>18,283,234</u>
Business-type activities:				
Water and sewer	185,583,811	271,043,154	-	18,067,252
Convention center complex	26,886,468	2,744,688	-	-
Mass transit	36,999,843	1,794,046	18,152,247	10,238,246
Parking facilities	12,899,923	10,734,320	-	-
Solid waste services	40,574,293	35,370,520	-	-
Stormwater	20,527,444	25,778,699	15,000	-
Total business-type activities	<u>323,471,782</u>	<u>347,465,427</u>	<u>18,167,247</u>	<u>28,305,498</u>
Total City of Raleigh	<u>\$ 787,637,884</u>	<u>\$ 386,760,096</u>	<u>\$ 56,117,156</u>	<u>\$ 46,588,732</u>

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

STATEMENT OF ACTIVITIES

For the Fiscal Year Ended June 30, 2021

Functions/Programs	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-type Activities	Total
Governmental activities:			
General government	\$ (30,603,189)	\$ -	\$ (30,603,189)
Community development services	(14,184,021)	-	(14,184,021)
Public infrastructure	(75,501,134)	-	(75,501,134)
Public safety	(189,770,947)	-	(189,770,947)
Leisure services	(33,380,947)	-	(33,380,947)
Economic development programs	(8,816,702)	-	(8,816,702)
Interest and other debt service	(16,381,350)	-	(16,381,350)
Total governmental activities	<u>(368,638,290)</u>	<u>-</u>	<u>(368,638,290)</u>
Business-type activities:			
Water and sewer	-	103,526,595	103,526,595
Convention center complex	-	(24,141,780)	(24,141,780)
Mass transit	-	(6,815,304)	(6,815,304)
Parking facilities	-	(2,165,603)	(2,165,603)
Solid waste services	-	(5,203,773)	(5,203,773)
Stormwater	-	5,266,255	5,266,255
Total business-type activities	<u>-</u>	<u>70,466,390</u>	<u>70,466,390</u>
Total City of Raleigh	<u>(368,638,290)</u>	<u>70,466,390</u>	<u>(298,171,900)</u>
General revenues:			
Taxes:			
Property taxes, levied for general purpose	275,574,956	-	275,574,956
Local sales tax	123,181,562	-	123,181,562
Franchise tax	28,598,556	-	28,598,556
Other taxes	43,728,132	-	43,728,132
Unrestricted investment earnings	17,304,769	6,044,953	23,349,722
Gain on the sale of property	2,011,165	674,134	2,685,299
Miscellaneous	671,565	-	671,565
Total general revenues not including transfers	<u>491,070,705</u>	<u>6,719,087</u>	<u>497,789,792</u>
Transfers	(56,751,783)	56,751,783	-
Total general revenues and transfers	<u>434,318,922</u>	<u>63,470,870</u>	<u>497,789,792</u>
Change in net position	65,680,632	133,937,260	199,617,892
Net position - beginning of year	1,105,698,084	1,602,255,250	2,707,953,334
Net position - end of year	<u>\$ 1,171,378,716</u>	<u>\$ 1,736,192,510</u>	<u>\$ 2,907,571,226</u>

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

BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2021

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 337,289,989	\$ 166,716,231	\$ 504,006,220
Taxes receivable, net of allowance for uncollectibles of \$10,081,469	590,546	-	590,546
Assessments receivable, net of allowance for uncollectibles of \$178,425	320,003	228,447	548,450
Customer receivables	30,690	-	30,690
Franchise taxes receivable	7,224,045	19,608	7,243,653
Due from other governmental agencies	2,818,120	17,642,022	20,460,142
Accrued interest receivable	1,875,653	225,876	2,101,529
Other receivables and assets	621,953	537,438	1,159,391
Sales tax receivable	35,667,116	1,470,514	37,137,630
Due from other funds	23,541,747	546,592	24,088,339
Inventories	1,720,855	-	1,720,855
Loans receivable, net of allowance for uncollectibles of \$9,817,980	11,983,024	64,423,000	76,406,024
Cash and cash equivalents /investments - restricted deposits and bond proceeds	2,848,770	82,586,245	85,435,015
Total assets	<u>\$ 426,532,511</u>	<u>\$ 334,395,973</u>	<u>\$ 760,928,484</u>
LIABILITIES			
Accounts payable	\$ 5,645,067	\$ 8,117,298	\$ 13,762,365
Accrued salaries and employee payroll taxes	12,276,295	123,206	12,399,501
Sales tax payable	15,135	4,163	19,298
Loan servicing escrow	347,367	429,608	776,975
Other liabilities	63,818	-	63,818
Due to other funds	176,245	7,844,721	8,020,966
Reimbursable facility fees	948,560	9,410,529	10,359,089
Escrow and other deposits payable from restricted assets	129,614	1,720,027	1,849,641
Due to other governmental agencies	370,552	222,142	592,694
American Rescue Plan Act (ARPA) liability	-	36,646,182	36,646,182
Emergency Rental Assistance (ERA) liability	-	16,717,226	16,717,226
Total liabilities	<u>19,972,653</u>	<u>81,235,102</u>	<u>101,207,755</u>
DEFERRED INFLOWS OF RESOURCES			
Property tax receivable	590,546	-	590,546
Assessments receivable	320,003	228,447	548,450
Prepaid assessments	-	7,408	7,408
Prepaid taxes and facility fees	108,196	-	108,196
Unearned revenue	384,456	1,943,870	2,328,326
Total deferred inflows of resources	<u>1,403,201</u>	<u>2,179,725</u>	<u>3,582,926</u>
FUND BALANCES			
Nonspendable:			
Inventories	1,720,855	-	1,720,855
Loans receivable	11,983,024	-	11,983,024
Restricted:			
Stabilization by state statute	63,349,343	-	63,349,343
Debt service	-	35,734,310	35,734,310
Federal program reserves	1,764,423	382	1,764,805
Public safety	-	2,085,681	2,085,681
Committed:			
LEOSSA	7,814,830	-	7,814,830
Assigned:			
Debt service	168,663,844	-	168,663,844
Subsequent year's appropriation	24,092,116	88,820,667	112,912,783
City projects	2,448,934	48,933,637	51,382,571
Community development	19,099,762	72,834,888	91,934,650
Disaster recovery	-	2,571,581	2,571,581
Unassigned	104,219,526	-	104,219,526
Total fund balances	<u>405,156,657</u>	<u>250,981,146</u>	<u>656,137,803</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 426,532,511</u>	<u>\$ 334,395,973</u>	<u>\$ 760,928,484</u>

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

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION**
June 30, 2021

Total *fund balances* for governmental funds \$ 656,137,803

Total *net position* reported for governmental activities in the statement of net position is different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Land and Construction in progress	\$ 596,799,420	
Capital Assets being depreciated, net	706,083,850	
	<u>\$ 1,302,883,270</u>	1,302,883,270

The net pension assets/liabilities resulting from contributions greater than or less than the amount of annual required contributions are not financial resources and therefore are not reported in the funds.

Law Enforcement Officer's (LEOSSA)	\$ (69,238,341)	
Pensions (LGERS)	(95,569,954)	
Other Post Retirement Benefits (OPEB)	(134,546,510)	
	<u>\$ (299,354,805)</u>	(299,354,805)

The deferred outflows of resources related to pensions are not reported in the funds.

Law Enforcement Officer's (LEOSSA)	\$ 23,986,902	
Pensions (LGERS)	60,850,971	
Other Post Retirement Benefits (OPEB)	12,533,352	
	<u>\$ 97,371,225</u>	97,371,225

The deferred inflows of resources related to pensions are not reported in the funds.

Law Enforcement Officer's (LEOSSA)	\$ (895,023)	
Pensions (LGERS)	(1,548,231)	
Other Post Retirement Benefits (OPEB)	(35,369,957)	
	<u>\$ (37,813,211)</u>	(37,813,211)

Deferred issuance costs are reported as expenditures in the funds because current financial resources are used. In the governmental activities issuance costs are recorded as a long-term asset and amortized over the life of the debt. 6,885,819

Internal service funds are used by management to charge the costs of certain activities, such as risk management, employees' health benefits, equipment replacement and vehicle fleet services to individual funds. The assets and liabilities of certain internal service funds are included in governmental activities in the statement of net position. 45,407,391

Taxes receivable and assessments receivable, will be collected after year-end, but are not available soon enough to pay for the current period's expenditures and therefore are reported as deferred inflows of resources in the funds.

Taxes receivable	\$ 590,546	
Assessments receivable	548,450	
	<u>\$ 1,138,996</u>	1,138,996

Some liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds as these payables are long-term in nature.

General Obligation Bonds, net	\$ (282,486,353)	
Installment Financing Agreements, net	(209,040,946)	
Bond Anticipation Note (BANs)	(80,277,435)	
Earned Vacation Pay	(26,108,472)	
Accrued Interest Payable	(3,364,566)	
	<u>\$ (601,277,772)</u>	(601,277,772)

Net position of governmental activities \$ 1,171,378,716

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

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2021**

	<u>General Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES			
Ad valorem taxes	\$ 275,621,842	\$ -	\$ 275,621,842
Intergovernmental	28,687,303	38,937,376	67,624,679
Non-governmental	-	105,266	105,266
Mutual aid reimbursements	13,854	-	13,854
Assessments	-	2,138,548	2,138,548
Franchise tax	28,598,556	-	28,598,556
Local sales tax	123,181,562	-	123,181,562
Licenses	15,040,828	79,352	15,120,180
Gain (loss) on investments	11,268,493	580,803	11,849,296
Inspections fees	19,350,007	-	19,350,007
Highway maintenance refunds	1,007,651	-	1,007,651
Facility fees	-	11,438,897	11,438,897
Parks and recreation fees	2,951,698	-	2,951,698
Other fees and charges	3,976,189	5,562	3,981,751
Developer participation	-	1,657,241	1,657,241
Rents	636,899	127,552	764,451
Program income	34,666	3,168,788	3,203,454
Recovery of claims	-	51,373	51,373
Donations and contributions	917,335	1,403,145	2,320,480
Miscellaneous other	750,791	279,402	1,030,193
Total revenues	<u>512,037,674</u>	<u>59,973,305</u>	<u>572,010,979</u>
EXPENDITURES			
Current:			
General government	54,189,653	5,336,499	59,526,152
Community development services	26,248,763	5,095,395	31,344,158
Public infrastructure	42,104,610	63,174,874	105,279,484
Public safety	183,696,086	14,171,864	197,867,950
Leisure services	49,020,184	27,556,382	76,576,566
Economic development programs	1,623,758	7,192,944	8,816,702
Debt service:			
Principal	41,304,187	-	41,304,187
Interest	18,066,738	-	18,066,738
Other debt service expenditures	1,022,562	-	1,022,562
Total expenditures	<u>417,276,541</u>	<u>122,527,958</u>	<u>539,804,499</u>
Excess (deficiency) of revenues over (under) expenditures	<u>94,761,133</u>	<u>(62,554,653)</u>	<u>32,206,480</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	8,862,789	12,140,210	21,002,999
Transfers out	(47,477,284)	(32,585,600)	(80,062,884)
Issuance of debt	-	45,526,579	45,526,579
Gain (loss) on sale of property	339,548	597,052	936,600
Total other financing sources (uses)	<u>(38,274,947)</u>	<u>25,678,241</u>	<u>(12,596,706)</u>
Net change in fund balances	56,486,186	(36,876,412)	19,609,774
Fund balances, beginning of year	348,670,471	287,857,558	636,528,029
Fund balances, end of year	<u>\$ 405,156,657</u>	<u>\$ 250,981,146</u>	<u>\$ 656,137,803</u>

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

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES**
For the Fiscal Year Ended June 30, 2021

Net change in *fund balances* - total governmental funds \$ 19,609,774

The change in *net position* reported for governmental activities in the statement of activities is different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital Outlays	\$ 94,348,696	
Depreciation	(52,557,692)	
	<u>\$ 41,791,004</u>	41,791,004

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Annexations	\$ 5,019,897	
Property taxes	(46,886)	
Assessments	(79,873)	
	<u>\$ 4,893,138</u>	4,893,138

Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Debt issued or incurred:		
Bond anticipation notes	\$ 45,526,579	
Principal repayments:		
General obligation debt	(24,535,000)	
Installment financing	(16,769,186)	
	<u>\$ 4,222,393</u>	(4,222,393)

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. Changes in these expenses are shown below.

Earned vacation pay	\$ (535,552)	
Accrued interest expense	(167,878)	
Net pension expense - LEOSSA	(4,279,695)	
Net pension expense - LGERS	(11,272,161)	
Net pension expense - OPEB	7,411,553	
	<u>\$ (8,843,733)</u>	(8,843,733)

Governmental funds report premiums on bonds issued as an other financing source. In the governmental activities bond premiums are recorded as a liability and amortized over the life of the debt. Amortization for bond issue costs, deferred refunding and premium on bonds are expenses or reduction of expenses in the governmental activities.

3,340,818

Internal service funds are used by management to charge the costs of certain activities, such as risk management, equipment replacement, and central garage to individual funds. The net expense of certain activities of internal service funds is reported with governmental activities.

9,112,024

Change in net position of governmental activities \$ 65,680,632

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

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
For the Fiscal Year Ended June 30, 2021**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget - Positive (Negative)</u>
REVENUES				
Ad valorem taxes - real & other property	\$ 257,650,679	\$ 257,650,679	\$ 257,399,060	\$ (251,619)
Ad valorem taxes - vehicles	17,077,817	17,077,817	18,222,782	1,144,965
Intergovernmental	21,967,848	31,044,373	28,687,303	(2,357,070)
Franchise tax	30,000,000	30,000,000	28,598,556	(1,401,444)
Local sales tax	100,608,000	100,608,000	123,181,562	22,573,562
Licenses	15,765,684	15,765,684	15,040,828	(724,856)
Gain (loss) on investments - investment income	5,675,000	5,675,000	7,993,349	2,318,349
Gain (loss) on investments - fair value measurement	-	-	3,275,144	3,275,144
Inspection fees	15,696,070	15,696,070	19,350,007	3,653,937
Highway maintenance refunds	900,000	900,000	1,007,651	107,651
Parks and recreation fees	5,926,985	5,926,985	2,951,698	(2,975,287)
Other fees and charges	6,788,313	6,798,663	3,976,189	(2,822,474)
Reimbursements for public infrastructure support	1,300,000	1,300,000	1,363,987	63,987
Administrative charges	19,216,769	19,216,769	19,216,769	-
Rents	105,811	460,811	636,899	176,088
Program income	52,600	52,600	34,666	(17,934)
Donations and contributions	1,705,588	1,705,588	917,335	(788,253)
Other revenues	693,340	693,340	764,645	71,305
Proceeds from sale of property	-	-	339,548	339,548
Total revenues available for appropriation	<u>501,130,504</u>	<u>510,572,379</u>	<u>532,957,978</u>	<u>22,385,599</u>
Fund balance appropriated	15,982,191	25,426,475	-	(25,426,475)
Total revenues	<u>\$ 517,112,695</u>	<u>\$ 535,998,854</u>	<u>\$ 532,957,978</u>	<u>\$ (3,040,876)</u>
EXPENDITURES				
General government:				
City council	\$ 433,124	\$ 435,214	\$ 297,386	\$ 137,828
City clerk	696,316	707,930	607,970	99,960
City attorney	4,333,763	4,351,663	4,115,049	236,614
Special appropriations	21,910,599	24,824,420	20,354,717	4,469,703
Agency appropriations	4,069,240	4,321,909	3,491,361	830,548
City manager	3,248,742	3,249,865	3,249,445	420
Communications	3,314,818	3,505,146	3,088,379	416,767
Human resources	5,323,051	5,899,531	5,043,736	855,795
Budget & management services	1,695,976	1,693,976	993,341	700,635
Finance	6,397,179	6,545,709	5,941,882	603,827
Information technology	22,696,945	23,391,950	22,441,954	949,996
Total general government	<u>74,119,753</u>	<u>78,927,313</u>	<u>69,625,220</u>	<u>9,302,093</u>
Community development services:				
Planning	6,512,737	6,625,495	6,318,920	306,575
Development Services	13,288,511	13,294,288	12,708,124	586,164
Community services	14,116,609	14,266,837	7,221,719	7,045,118
Economic development	1,932,263	2,084,370	1,623,758	460,612
Total community development services	<u>35,850,120</u>	<u>36,270,990</u>	<u>27,872,521</u>	<u>8,398,469</u>
Public infrastructure:				
Engineering services	20,830,197	21,989,830	19,413,381	2,576,449
Transportation	29,814,362	30,400,762	27,836,418	2,564,344
Total public infrastructure	<u>50,644,559</u>	<u>52,390,592</u>	<u>47,249,799</u>	<u>5,140,793</u>
Public safety:				
Emergency communications center	10,762,035	10,500,264	9,996,606	503,658
Police	109,722,871	111,502,815	107,237,243	4,265,572
Fire	67,687,901	69,115,441	66,462,237	2,653,204
Total public safety	<u>\$ 188,172,807</u>	<u>\$ 191,118,520</u>	<u>\$ 183,696,086</u>	<u>\$ 7,422,434</u>

Continued

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
For the Fiscal Year Ended June 30, 2021**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Leisure services:				
Parks, recreation and cultural resources	\$ 59,321,587	\$ 61,229,419	\$ 48,940,656	\$ 12,288,763
Walnut Creek Amphitheatre	212,096	222,446	79,528	142,918
Total leisure services	<u>59,533,683</u>	<u>61,451,865</u>	<u>49,020,184</u>	<u>12,431,681</u>
Debt service:				
Principal and interest	61,132,205	61,132,205	59,370,925	1,761,280
Other debt service expenditures	13,489,096	16,921,280	1,022,562	15,898,718
Total debt service	<u>74,621,301</u>	<u>78,053,485</u>	<u>60,393,487</u>	<u>17,659,998</u>
Total expenditures to appropriations	<u>\$ 482,942,223</u>	<u>\$ 498,212,765</u>	<u>\$ 437,857,297</u>	<u>\$ 60,355,468</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 6,379,243	\$ 9,691,195	\$ 8,862,789	\$ (828,406)
Transfers out	<u>(40,549,715)</u>	<u>(47,477,284)</u>	<u>(47,477,284)</u>	<u>-</u>
Total other financing sources (uses)	<u>\$ (34,170,472)</u>	<u>\$ (37,786,089)</u>	<u>\$ (38,614,495)</u>	<u>\$ (828,406)</u>
Excess of revenues and other financing sources over expenditures and other financing uses	<u>\$ -</u>	<u>\$ -</u>	\$ 56,486,186	
Fund balance, beginning of year			<u>348,670,471</u>	
Fund balance, end of year			<u>\$ 405,156,657</u>	

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

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS**

June 30, 2021

	Enterprise Funds			
	Water and Sewer Fund	Convention Center Complex Fund	Mass Transit Fund	Stormwater Fund
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 473,297,594	\$ 28,665,193	\$ -	\$ 38,196,923
Customer receivables, net of allowance for uncollectibles of \$9,713,510	27,786,951	110,866	-	1,834,190
Assessments receivable, net of allowance for uncollectibles of \$37,903	374,429	-	-	-
Due from transit management	-	-	987,225	-
Due from other governmental agencies	-	-	12,687,814	310,450
Due from other funds	104,567	160,780	-	1,336
Accrued interest receivable	1,394,449	5,647	-	95,620
Other receivables and assets	87,426	8,069	-	4,444
Sales tax receivable	4,045,563	205,640	92,603	102,449
Inventories	9,729,294	-	512,185	-
Insurance deposit	-	-	-	-
Total current assets	<u>516,820,273</u>	<u>29,156,195</u>	<u>14,279,827</u>	<u>40,545,412</u>
Noncurrent assets:				
Restricted cash and cash equivalents	15,001,765	721,184	50,305	19,462,907
Capital assets:				
Land and improvements	42,603,039	32,126,089	3,994,684	5,980,458
Construction in progress	694,151,747	26,813,355	29,378,229	47,797,609
Watershed protection rights	4,780,059	-	-	-
Water and sewer systems	1,316,473,328	-	-	-
Buildings and machinery	90,607,911	271,091,201	28,102,339	-
Parking decks	-	-	-	-
Buses	-	-	51,868,634	-
Equipment	31,882,410	2,525,091	3,894,137	976,434
Furniture and fixtures	61,921	2,542,363	50,046	-
Improvements	216,355,589	37,546,528	8,965,615	73,403,583
Less accumulated depreciation	<u>(684,754,517)</u>	<u>(128,612,059)</u>	<u>(44,905,689)</u>	<u>(31,798,832)</u>
Total noncurrent assets	<u>1,727,163,252</u>	<u>244,753,752</u>	<u>81,398,300</u>	<u>115,822,159</u>
Total assets	<u>2,243,983,525</u>	<u>273,909,947</u>	<u>95,678,127</u>	<u>156,367,571</u>
DEFERRED OUTFLOWS OF RESOURCES				
Unamortized bond refunding charges	21,206,434	59,177	-	-
Pension deferrals - LGERS	6,707,971	1,109,594	219,227	1,088,612
Pension deferrals - OPEB	2,721,187	476,105	120,356	511,229
Accumulated decrease in fair value of hedging derivatives	<u>24,890,940</u>	<u>27,972,077</u>	<u>-</u>	<u>-</u>
Total deferred outflows of resources	<u>55,526,532</u>	<u>29,616,953</u>	<u>339,583</u>	<u>1,599,841</u>

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

Continued

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS**

June 30, 2021

	Enterprise Funds			Internal Service Funds
	Parking Fund	Solid Waste Services Fund	Total	
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 12,923,068	\$ 16,159,741	\$ 569,242,519	\$ 70,895,699
Customer receivables, net of allowance for uncollectibles of \$9,713,510	698,345	2,333,876	32,764,228	-
Assessments receivable, net of allowance for uncollectibles of \$37,903	-	-	374,429	-
Due from transit management	-	-	987,225	-
Due from other governmental agencies	-	386,636	13,384,900	-
Due from other funds	192	26,446	293,321	750,138
Accrued interest receivable	15,058	-	1,510,774	237,974
Other receivables and assets	-	-	99,939	1,017,981
Sales tax receivable	35,198	103,881	4,585,334	735,645
Inventories	-	-	10,241,479	663,106
Insurance deposit	-	-	-	420,000
Total current assets	<u>13,671,861</u>	<u>19,010,580</u>	<u>633,484,148</u>	<u>74,720,543</u>
Noncurrent assets:				
Restricted cash and cash equivalents	68,920	-	35,305,081	36,845,360
Capital assets:				
Land and improvements	7,414,706	2,952,033	95,071,009	-
Construction in progress	5,205,672	-	803,346,612	-
Watershed protection rights	-	-	4,780,059	-
Water and sewer systems	-	-	1,316,473,328	-
Buildings and machinery	-	15,648,174	405,449,625	230,912
Parking decks	156,535,540	-	156,535,540	-
Buses	-	-	51,868,634	-
Equipment	232,861	1,335,706	40,846,639	192,532,305
Furniture and fixtures	51,382	145,892	2,851,604	-
Improvements	2,169,511	7,200,018	345,640,844	-
Less accumulated depreciation	<u>(63,944,903)</u>	<u>(9,440,991)</u>	<u>(963,456,991)</u>	<u>(142,060,672)</u>
Total noncurrent assets	<u>107,733,689</u>	<u>17,840,832</u>	<u>2,294,711,984</u>	<u>87,547,905</u>
Total assets	<u>121,405,550</u>	<u>36,851,412</u>	<u>2,928,196,132</u>	<u>162,268,448</u>
DEFERRED OUTFLOWS OF RESOURCES				
Unamortized bond refunding charges	368,048	273,746	21,907,405	-
Pension deferrals - LGERS	395,189	2,124,340	11,644,933	850,501
Pension deferrals - OPEB	155,966	861,915	4,846,758	336,557
Accumulated decrease in fair value of hedging derivatives	-	-	52,863,017	-
Total deferred outflows of resources	<u>919,203</u>	<u>3,260,001</u>	<u>91,262,113</u>	<u>1,187,058</u>

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

Continued

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS**

June 30, 2021

	Enterprise Funds			
	Water and Sewer Fund	Convention Center Complex Fund	Mass Transit Fund	Stormwater Fund
LIABILITIES				
Current liabilities:				
Accounts payable	\$ 20,907,766	\$ 1,274,617	\$ 3,101,279	\$ 1,239,339
Sales tax payable	5,886	80,213	577	15
Accrued salaries and employee payroll taxes	1,363,515	179,893	44,299	227,613
Accrued interest payable	5,129,367	2,573,019	-	-
Claims payable and other liabilities	-	-	-	-
Due to other funds	-	-	10,507,693	-
Due to other governmental agencies	-	-	-	-
Landfill postclosure liability	-	-	-	-
Earned vacation pay	2,293,723	534,895	50,716	401,422
Bonds, notes and loans payable, net of unamortized premiums and discounts	35,473,015	-	-	-
Contracts and other notes payable, net of unamortized premiums and discounts	4,657,225	11,063,616	-	101,738
Total current liabilities	<u>69,830,497</u>	<u>15,706,253</u>	<u>13,704,564</u>	<u>1,970,127</u>
Noncurrent liabilities:				
Claims payable and other liabilities	-	-	-	-
Bonds, notes and loans payable, net of unamortized premiums and discounts	634,525,940	-	-	-
Contracts and other notes payable, net of unamortized premiums and discounts	101,050,718	187,672,862	-	1,220,851
Landfill postclosure liability	-	-	-	-
Escrow and other deposits payable from restricted assets	15,001,460	721,184	50,305	19,462,907
Derivative instrument liability	24,890,940	27,972,077	-	-
Earned vacation pay	1,790,244	11,726	71,092	320,478
Net pension liability - LGERS	20,812,897	3,508,323	803,697	3,501,257
Net pension liability - OPEB	29,652,001	4,808,579	933,700	5,004,650
Total noncurrent liabilities	<u>827,724,200</u>	<u>224,694,751</u>	<u>1,858,794</u>	<u>29,510,143</u>
Total liabilities	<u>897,554,697</u>	<u>240,401,004</u>	<u>15,563,358</u>	<u>31,480,270</u>
DEFERRED INFLOWS OF RESOURCES				
Unearned revenue	-	16,775	1,514,151	-
Pension deferrals - LGERS	442,944	89,533	-	-
Pension deferrals - OPEB	7,681,360	1,258,937	292,345	1,392,486
Total deferred inflows of resources	<u>8,124,304</u>	<u>1,365,245</u>	<u>1,806,496</u>	<u>1,392,486</u>
NET POSITION				
Net investment in capital assets	957,661,328	45,355,267	81,347,995	95,036,663
Unrestricted	436,169,728	16,405,384	(2,700,139)	30,057,993
Total net position	<u>\$ 1,393,831,056</u>	<u>\$ 61,760,651</u>	<u>\$ 78,647,856</u>	<u>\$ 125,094,656</u>

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

Continued

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS**

June 30, 2021

	Enterprise Funds			Internal Service Funds
	Parking Fund	Solid Waste Services Fund	Total	
LIABILITIES				
Current liabilities:				
Accounts payable	\$ 194,434	\$ 690,258	\$ 27,407,693	\$ 1,256,447
Sales tax payable	-	3,784	90,475	3,921
Accrued salaries and employee payroll taxes	61,260	307,651	2,184,231	140,891
Accrued interest payable	350,067	66,189	8,118,642	101,459
Claims payable and other liabilities	-	-	-	9,606,350
Due to other funds	5,931,594	90,000	16,529,287	750,000
Due to other governmental agencies	-	2,087,724	2,087,724	-
Landfill postclosure liability	-	1,619,552	1,619,552	-
Earned vacation pay	127,009	641,607	4,049,372	334,205
Bonds, notes and loans payable, net of unamortized premiums and discounts	-	-	35,473,015	21,968,348
Contracts and other notes payable, net of unamortized premiums and discounts	4,071,728	872,690	20,766,997	-
Total current liabilities	<u>10,736,092</u>	<u>6,379,455</u>	<u>118,326,988</u>	<u>34,161,621</u>
Noncurrent liabilities:				
Claims payable and other liabilities	-	-	-	15,512,173
Bonds, notes and loans payable, net of unamortized premiums and discounts	-	-	634,525,940	41,795,894
Contracts and other notes payable, net of unamortized premiums and discounts	52,464,238	8,890,495	351,299,164	-
Landfill postclosure liability	-	3,560,951	3,560,951	-
Escrow and other deposits payable from restricted assets	-	-	35,235,856	-
Derivative instrument liability	-	-	52,863,017	-
Earned vacation pay	51,428	351,454	2,596,422	156,989
Net pension liability - LGERS	1,215,276	6,608,607	36,450,057	2,595,235
Net pension liability - OPEB	1,766,489	9,463,507	51,628,926	3,758,662
Total noncurrent liabilities	<u>55,497,431</u>	<u>28,875,014</u>	<u>1,168,160,333</u>	<u>63,818,953</u>
Total liabilities	<u>66,233,523</u>	<u>35,254,469</u>	<u>1,286,487,321</u>	<u>97,980,574</u>
DEFERRED INFLOWS OF RESOURCES				
Unearned revenue	-	-	1,530,926	-
Pension deferrals - LGERS	23,581	137,913	693,971	78,297
Pension deferrals - OPEB	456,846	2,490,586	13,572,560	970,201
Total deferred inflows of resources	<u>480,427</u>	<u>2,628,499</u>	<u>15,797,457</u>	<u>1,048,498</u>
NET POSITION				
Net investment in capital assets	51,565,771	8,351,393	1,239,318,417	23,783,663
Unrestricted	4,045,032	(6,122,948)	477,855,050	40,642,771
Total net position	<u>\$ 55,610,803</u>	<u>\$ 2,228,445</u>	<u>\$ 1,717,173,467</u>	<u>\$ 64,426,434</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			<u>19,019,043</u>	
Net position of business-type activities			<u>\$ 1,736,192,510</u>	

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

**STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS**

For the fiscal year ended June 30, 2021

	Enterprise Funds			
	Water and Sewer Fund	Convention Center Complex Fund	Mass Transit Fund	Stormwater Fund
Operating revenues				
User charges	\$ 263,814,510	\$ 2,035,358	\$ 1,507,801	\$ 25,718,436
Other	7,154,628	709,330	286,245	60,263
Total operating revenues	<u>270,969,138</u>	<u>2,744,688</u>	<u>1,794,046</u>	<u>25,778,699</u>
Operating expenses				
Personnel services	55,340,776	7,360,893	1,877,560	9,580,121
Other operational expenses	60,838,188	5,277,070	6,363,243	7,438,967
Management contract charges	-	-	23,426,183	-
Claims	-	-	-	-
Premiums	-	-	-	-
Depreciation	42,581,125	7,470,411	5,312,378	3,437,517
Total operating expenses	<u>158,760,089</u>	<u>20,108,374</u>	<u>36,979,364</u>	<u>20,456,605</u>
Operating income (loss)	<u>112,209,049</u>	<u>(17,363,686)</u>	<u>(35,185,318)</u>	<u>5,322,094</u>
Nonoperating revenue (expense)				
Gain (loss) on investments	6,020,034	8,283	-	-
Subsidy income - federal and state	15,250	-	7,872,780	15,000
Subsidy income - local	-	-	10,279,467	-
Recovery of claims	-	-	-	-
Other revenues	58,766	-	-	-
Interest expense	(24,407,872)	(5,667,812)	-	-
Other debt service costs	(1,294,991)	(1,076,220)	-	-
Gain (loss) on sale of property	37,159	-	(58,327)	-
Total nonoperating revenue (expense)	<u>(19,571,654)</u>	<u>(6,735,749)</u>	<u>18,093,920</u>	<u>15,000</u>
Income (loss) before contributions, transfers and special items	92,637,395	(24,099,435)	(17,091,398)	5,337,094
Capital contributions	18,067,252	-	10,238,246	-
Transfers in	90,000	27,891,893	17,005,170	-
Transfers out	(145,000)	-	-	(229,914)
Change in net position	110,649,647	3,792,458	10,152,018	5,107,180
Net position, beginning of year	<u>1,283,181,409</u>	<u>57,968,193</u>	<u>68,495,838</u>	<u>119,987,476</u>
Net position, end of year	<u>\$ 1,393,831,056</u>	<u>\$ 61,760,651</u>	<u>\$ 78,647,856</u>	<u>\$ 125,094,656</u>

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

**STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS**

For the fiscal year ended June 30, 2021

	Enterprise Funds			Internal Service Funds
	Parking Fund	Solid Waste Services Fund	Total	
Operating revenues				
User charges	\$ 10,694,195	\$ 34,830,025	\$ 338,600,325	\$ 87,453,808
Other	40,125	85,070	8,335,661	5,336
Total operating revenues	<u>10,734,320</u>	<u>34,915,095</u>	<u>346,935,986</u>	<u>87,459,144</u>
Operating expenses				
Personnel services	2,583,170	14,238,845	90,981,365	6,105,724
Other operational expenses	5,040,007	24,576,469	109,533,944	13,654,191
Management contract charges	-	-	23,426,183	-
Claims	-	-	-	50,413,696
Premiums	-	-	-	2,503,778
Depreciation	4,199,437	899,258	63,900,126	17,968,611
Total operating expenses	<u>11,822,614</u>	<u>39,714,572</u>	<u>287,841,618</u>	<u>90,646,000</u>
Operating income (loss)	<u>(1,088,294)</u>	<u>(4,799,477)</u>	<u>59,094,368</u>	<u>(3,186,856)</u>
Nonoperating revenue (expense)				
Gain (loss) on investments	15,626	-	6,043,943	6,037,286
Subsidy income - federal and state	-	-	7,903,030	-
Subsidy income - local	-	-	10,279,467	-
Recovery of claims	-	-	-	1,680,843
Other revenues	-	455,425	514,191	-
Interest expense	(916,077)	(147,238)	(31,138,999)	(732,319)
Other debt service costs	(149,321)	-	(2,520,532)	-
Gain (loss) on sale of property	-	-	(21,168)	1,730,647
Total nonoperating revenue (expense)	<u>(1,049,772)</u>	<u>308,187</u>	<u>(8,940,068)</u>	<u>8,716,457</u>
Income (loss) before contributions, transfers and special items	(2,138,066)	(4,491,290)	50,154,300	5,529,601
Capital contributions	-	-	28,305,498	-
Transfers in	4,000,000	8,808,634	57,795,697	2,308,102
Transfers out	(380,000)	(289,000)	(1,043,914)	-
Change in net position	1,481,934	4,028,344	135,211,581	7,837,703
Net position, beginning of year	<u>54,128,869</u>	<u>(1,799,899)</u>		<u>56,588,731</u>
Net position, end of year	<u>\$ 55,610,803</u>	<u>\$ 2,228,445</u>		<u>\$ 64,426,434</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.			<u>(1,274,321)</u>	
Change in net position of business-type activities			<u>\$ 133,937,260</u>	

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

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS**

For the fiscal year ended June 30, 2021

	Enterprise Funds			
	Water and Sewer Fund	Convention Center Complex Fund	Mass Transit Fund	Stormwater Fund
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 261,326,168	\$ 2,207,031	\$ 1,507,801	\$ 25,689,478
Payments to employees	(52,825,366)	(7,140,443)	(1,738,693)	(9,072,000)
Payments to suppliers and service providers	(62,127,986)	(5,350,334)	(32,392,439)	(7,288,162)
Claims paid	-	-	-	-
Premiums paid	-	-	-	-
Other receipts	7,213,394	709,330	286,245	60,263
Other payments	-	(1,076,220)	-	-
Net cash provided by (used in) operating activities	<u>153,586,210</u>	<u>(10,650,636)</u>	<u>(32,337,086)</u>	<u>9,389,579</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Operating subsidies and transfers from other funds	90,000	27,891,893	17,005,170	(229,914)
Operating subsidies and transfers to other funds	(145,000)	-	-	-
Operating grants received	-	-	13,727,664	-
Internal activity - payments from (to) other funds	109,197	(120,739)	4,837,278	17,048
Net cash provided by (used in) noncapital financing activities	<u>54,197</u>	<u>27,771,154</u>	<u>35,570,112</u>	<u>(212,866)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchase and construction of capital assets	(149,386,560)	(2,588,700)	(14,460,233)	(11,219,362)
Capital grants and other capital contributions	6,482,908	-	11,285,534	-
Proceeds from capital debt	66,255,086	-	-	-
Gain (loss) on disposal of capital assets	-	-	(58,327)	-
Intergovernmental proceeds for capital debt	-	-	-	-
Principal paid on capital debt	(35,562,225)	(10,530,735)	-	(101,738)
Interest paid on capital debt	(24,365,813)	(6,428,115)	-	-
Other debt related payments	(1,294,991)	-	-	-
Proceeds from the sale of capital assets	37,159	-	-	-
Escrow deposits	239,424	-	-	2,268,526
Net cash provided by (used in) capital and related financing activities	<u>(137,595,012)</u>	<u>(19,547,550)</u>	<u>(3,233,026)</u>	<u>(9,052,574)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Gain (loss) on investments held	6,534,691	75,766	-	198,343
Net cash provided by investing activities	<u>6,534,691</u>	<u>75,766</u>	<u>-</u>	<u>198,343</u>
Net increase (decrease) in cash and cash equivalents	22,580,086	(2,351,266)	-	322,482
Cash and cash equivalents - beginning of year	465,719,273	31,737,643	50,305	57,337,348
Cash and cash equivalents - end of year	<u>\$ 488,299,359</u>	<u>\$ 29,386,377</u>	<u>\$ 50,305</u>	<u>\$ 57,659,830</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating income (loss)	\$ 112,209,049	\$ (17,363,686)	\$ (35,185,318)	\$ 5,322,094
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation expense	42,581,125	7,470,411	5,312,378	3,437,517
Miscellaneous nonoperating income	58,766	-	-	-
Miscellaneous nonoperating expense	-	(1,076,220)	-	-
Change in assets and liabilities:				
Operating receivables	(2,477,042)	5,364	963,938	(28,957)
Sales tax receivable	(1,095,499)	99,402	32,278	34,204
Inventories	(323,079)	-	(10,690)	-
Other receivables and assets	(11,300)	-	-	(1,044)
Accounts payable and other accrued liabilities	211,245	(174,234)	(3,588,539)	117,645
Landfill postclosure liability	-	-	-	-
(Increase) decrease in deferred outflows of resources - LGERS	(755,018)	(132,099)	(28,297)	(120,489)
Increase (decrease) in deferred inflows of resources - LGERS	149,835	26,216	-	-
Increase in pension liability - LGERS	4,379,315	766,215	204,764	871,899
(Increase) decrease in deferred outflows of resources - OPEB	(1,033,507)	(180,825)	(48,324)	(205,767)
Increase (decrease) in deferred inflows of resources - OPEB	(418,503)	(73,222)	(19,568)	(83,322)
Increase (decrease) in pension liability - OPEB	(147,551)	(25,815)	(6,899)	(29,376)
Escrow and other deposits	-	183,535	-	-
Earned vacation pay and other payroll liabilities	258,374	(160,020)	37,191	75,175
Unearned revenue	-	(15,658)	-	-
Total adjustments	<u>41,377,161</u>	<u>6,713,050</u>	<u>2,848,232</u>	<u>4,067,485</u>
Net cash provided by (used in) operating activities	<u>\$ 153,586,210</u>	<u>\$ (10,650,636)</u>	<u>\$ (32,337,086)</u>	<u>\$ 9,389,579</u>
Noncash investing, capital, and financing activities:				
Capital contributions from annexations and mergers	\$ 18,067,252	\$ -	\$ -	\$ -
Capital contributions from grant and assessment receivables	\$ (6,467,658)	\$ -	\$ -	\$ -
Acquisition and construction of capital assets	\$ (453,215)	\$ -	\$ -	\$ -

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

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS**

For the fiscal year ended June 30, 2021

	Enterprise Funds			Internal Service Funds
	Parking Fund	Solid Waste Services Fund	Total	
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 10,674,098	\$ 34,898,837	\$ 336,303,413	\$ 87,453,808
Payments to employees	(2,455,938)	(13,532,394)	(86,764,834)	(5,863,154)
Payments to suppliers and service providers	(5,170,817)	(22,287,289)	(134,617,027)	(13,519,599)
Claims paid	-	-	-	(48,184,598)
Premiums paid	-	-	-	(2,503,778)
Other receipts	40,125	85,070	8,394,427	1,686,179
Other payments	-	-	(1,076,220)	1,903
Net cash provided by (used in) operating activities	<u>3,087,468</u>	<u>(835,776)</u>	<u>122,239,759</u>	<u>19,070,761</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Operating subsidies and transfers from other funds	4,000,000	8,808,634	57,565,783	2,308,102
Operating subsidies and transfers to other funds	(380,000)	(289,000)	(814,000)	-
Operating grants received	-	-	13,727,664	-
Internal activity - payments from (to) other funds	(565,814)	204,458	4,481,428	29,960
Net cash provided by (used in) noncapital financing activities	<u>3,054,186</u>	<u>8,724,092</u>	<u>74,960,875</u>	<u>2,338,062</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchase and construction of capital assets	(614,943)	(16,600)	(178,286,398)	(14,815,941)
Capital grants and other capital contributions	-	-	17,768,442	-
Proceeds from capital debt	-	-	66,255,086	37,010,400
Gain (loss) on disposal of capital assets	-	-	(58,327)	-
Intergovernmental proceeds for capital debt	-	455,425	455,425	-
Principal paid on capital debt	(3,661,382)	(508,054)	(50,364,134)	(14,350,979)
Interest paid on capital debt	(1,143,096)	(509,266)	(32,446,290)	(771,224)
Other debt related payments	(149,321)	-	(1,444,312)	-
Proceeds from the sale of capital assets	-	-	37,159	1,730,647
Escrow deposits	-	-	2,507,950	-
Net cash provided by (used in) capital and related financing activities	<u>(5,568,742)</u>	<u>(578,495)</u>	<u>(175,575,399)</u>	<u>8,802,903</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Gain (loss) on investments held	32,322	80,347	6,921,469	5,959,796
Net cash provided by investing activities	<u>32,322</u>	<u>80,347</u>	<u>6,921,469</u>	<u>5,959,796</u>
Net increase (decrease) in cash and cash equivalents	605,234	7,390,168	28,546,704	36,171,522
Cash and cash equivalents - beginning of year	12,386,754	8,769,573	576,000,896	71,569,537
Cash and cash equivalents - end of year	<u>\$ 12,991,988</u>	<u>\$ 16,159,741</u>	<u>\$ 604,547,600</u>	<u>\$ 107,741,059</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating income (loss)	\$ (1,088,294)	\$ (4,799,477)	\$ 59,094,368	\$ (3,186,856)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation expense	4,199,437	899,258	63,900,126	17,968,611
Miscellaneous nonoperating income	-	-	58,766	1,680,843
Miscellaneous nonoperating expense	-	-	(1,076,220)	-
Change in assets and liabilities:				
Operating receivables	(22,986)	(496,498)	(2,056,181)	-
Sales tax receivable	6,954	32,473	(890,188)	(33,130)
Inventories	-	-	(333,769)	(161,451)
Other receivables and assets	2,889	565,310	555,855	(1,009,622)
Accounts payable and other accrued liabilities	(137,764)	1,160,186	(2,411,461)	3,569,796
Landfill postclosure liability	-	1,096,521	1,096,521	-
(Increase) decrease in deferred outflows of resources - LGERS	(43,274)	(239,146)	(1,318,323)	(93,381)
Increase (decrease) in deferred inflows of resources - LGERS	8,587	47,459	232,097	18,532
Increase in pension liability - LGERS	251,002	1,387,114	7,860,309	541,635
(Increase) decrease in deferred outflows of resources - OPEB	(59,236)	(327,356)	(1,855,015)	(127,824)
Increase (decrease) in deferred inflows of resources - OPEB	(23,987)	(132,558)	(751,160)	(51,762)
Increase (decrease) in pension liability - OPEB	(8,457)	(46,736)	(264,834)	(18,249)
Escrow and other deposits	-	-	183,535	-
Earned vacation pay and other payroll liabilities	2,597	17,674	230,991	(26,381)
Unearned revenue	-	-	(15,658)	-
Total adjustments	<u>4,175,762</u>	<u>3,963,701</u>	<u>63,145,391</u>	<u>22,257,617</u>
Net cash provided by (used in) operating activities	<u>\$ 3,087,468</u>	<u>\$ (835,776)</u>	<u>\$ 122,239,759</u>	<u>\$ 19,070,761</u>
Noncash investing, capital, and financing activities:				
Capital contributions from annexations and mergers	\$ -	\$ -	\$ 18,067,252	\$ -
Capital contributions from grant and assessment receivables	\$ -	\$ -	\$ (6,467,658)	\$ -
Acquisition and construction of capital assets	\$ (614,943)	\$ -	\$ (1,068,158)	\$ -

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

STATEMENT OF PLAN NET POSITION
PENSION TRUST FUNDS
June 30, 2021

	Pension Trust Funds
ASSETS	
Cash and cash equivalents	\$ 164,744,792
Due from other funds	168,455
Other assets	391,015
Total assets	<u>165,304,262</u>
LIABILITIES	
Claims payable	750,000
Accounts payable	19,104
Total liabilities	<u>769,104</u>
NET POSITION	
Restricted for pensions	94,104,886
Restricted for postemployment benefits other than pensions	70,430,272
Total net pension	<u>\$ 164,535,158</u>

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

STATEMENT OF CHANGES IN PLAN NET POSITION
PENSION TRUST FUNDS
For the Fiscal Year Ended June 30, 2021

	Pension Trust Funds
ADDITIONS	
Employer contributions	\$ 24,568,069
Retiree contributions	3,077,050
Interest	11,823,508
Net increase (decrease) in the fair value of investments	24,556,731
Recovery of claims	440,644
Total additions	<u>64,466,002</u>
DEDUCTIONS	
Benefits	24,010,611
Withdrawals and forfeitures	420,567
Investment expense	78,445
Professional services	64,871
Total deductions	<u>24,574,494</u>
Change in net position restricted for:	
Employees' retirement and other post-employment benefits	39,891,508
Net position, beginning of year	<u>124,643,650</u>
Net position, end of year	<u>\$ 164,535,158</u>

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2021

Note 1. Summary of Significant Accounting Policies

A. Reporting entity

The City of Raleigh (the "City") is a municipal corporation established in 1792 by the North Carolina General Assembly. The City operates under a council-manager form of government with a mayor and seven Council Members comprising the governing body.

The accounting policies of the City of Raleigh conform to generally accepted accounting principles (GAAP) as applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles in the United States of America. All applicable GASB statements have been implemented. The accompanying financial statements present the government and its component unit, a legally separate entity for which the City is financially accountable.

The financial statements of the following organization are included in this report as a blended component unit:

Blended Component Unit. Walnut Creek Financing Assistance Corporation (WCFAC). The WCFAC is governed by a five-member board appointed by the City Council. Although it is legally separate from the City, the WCFAC is reported as if it were part of the primary government because its main purpose is to issue certificates of participation for the City. Financial transactions of the WCFAC are audited and reported through the City's annual audit. No separate financial statements are prepared.

B. Government-wide and fund financial statements

Government-Wide Statements. The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the City and its blended component unit. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the governmental and business-type activities of the City. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities demonstrates the degree to which the direct expenses of a given function or business-type activity is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or activity. Indirect expense allocations are not shown on the statement of activities. *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 activity and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or activity. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

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

C. Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers all revenues to be available if they are collected within 90 days after year-end, except for property taxes. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to earned vacation pay and claims and judgments, are recorded only when payment is due.

Sales taxes collected and held by the State at year-end on behalf of the City are recognized as revenue. Sales taxes are considered a shared revenue for the City because the tax is levied by Wake County and then remitted to and distributed by the State. Ad valorem taxes receivable are not accrued as revenue because the amount is not susceptible to accrual. All other revenue items are considered to be measurable and available only when cash is received by the government.

As of June 30, taxes receivable for property other than motor vehicles are materially past due and are not considered to be an available resource to finance the operations of the current year. Also, as of September 1, 2013, State law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. Effective with this change in the law, the State of North Carolina is responsible for billing and collecting the property taxes on registered motor vehicles on behalf of all municipalities and special tax districts. Property taxes are due when vehicles are registered. The billed taxes are applicable to the fiscal year in which they are received. Uncollected taxes that were billed in periods prior to September 1, 2013 and for limited registration plates are shown as a receivable in these financial statements and are offset by deferred inflows of resources.

The City reports the following major governmental funds:

General fund – The general fund is the primary operating fund of the City. It is used to account for all financial resources of the general government, except those required to be accounted for in other funds.

The City reports the following major enterprise funds:

Water and sewer fund – The water and sewer fund accounts for the user charges, fees, other resources and all costs associated with the operation of the water and sewer systems of the City.

Convention center fund – The convention center complex fund accounts for the user charges, fees, other resources and all costs associated with the operation of the convention center and performing arts center facilities of the City.

Mass transit fund – The mass transit fund accounts for the user charges, fees, federal contributions and all operating costs associated with the operation of the transit system in the City.

Stormwater fund – The stormwater fund is established to account for revenues and expenses related to stormwater management.

Parking fund – The parking facilities fund accounts for the parking fee charges and all costs associated with the operation of all parking decks and lots owned by the City.

Solid waste services fund – The solid waste services fund accounts for the revenues and expenses related to the operation of the City’s residential garbage collection and recycling programs.

Additionally, the City reports the following fund types:

Internal service funds - Account for employees’ health benefits, equipment replacement, risk management services, and vehicle fleet services provided to other departments or agencies of the City on a cost reimbursement basis.

Fiduciary funds - The pension trust funds account for the City’s contributions to a supplemental money purchase pension plan fund and other post-employment benefits.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the City’s water and sewer function and various other City functions. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, *general revenues* include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of the City’s enterprise funds and internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the costs of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City’s policy to use restricted resources first, then unrestricted resources as they are needed.

Management of the City has made a number of estimates and assumptions relating to the reporting of assets, liabilities, revenues, expenses, and the disclosure of contingent assets and liabilities to prepare the financial statements in conformity with generally accepted accounting principles. Actual results could differ from those estimates.

D. Assets, liabilities, deferred outflows/inflows of resources and net position or equity

1. Deposits and investments

The City pools money from several funds to facilitate disbursement and investment and to maximize investment income. Therefore, all cash and investments are essentially demand deposits and are considered cash and cash equivalents. For arbitrage purposes, the City maintains separate investments of proceeds of bond issues and other tax-exempt financings. All deposits are made in designated official depositories and are secured as required by State law (G.S. 159-31). The City may designate, as an official depository, any bank or savings and loan association whose principal office is located in North Carolina. The City may make deposits in FDIC-insured or collateralized demand accounts, certificates of deposit, or such other forms of time deposits as the North Carolina Local Government Commission may approve.

The Local Government Budget and Fiscal Control Act of North Carolina governs all investments permitted to local governments. State law (G.S. 159-30(c)) authorizes the City to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain non-guaranteed federal agencies; certain high quality issues of commercial paper and bankers' acceptances; certain repurchase agreements; and the North Carolina Capital Management Trust (NCCMT).

The City's investments are reported at fair value as determined by quoted market prices. The securities of the NCCMT – Government Portfolio, a SEC-registered (2a-7) money market mutual fund, and securities of the NCCMT – Term Portfolio are valued at fair value, which is the NCCMT's share price.

2. Receivables and payables

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds" (i.e., the current portion of interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

City ad valorem taxes are billed by the Wake County Revenue Collector after July 1 of each year based upon the assessed value on property, other than motor vehicles, listed as of the prior January 1 lien date. In accordance with state law, property taxes on certain registered motor vehicles are assessed and collected throughout the year based on a staggered registration system. North Carolina Department of Revenue is responsible for the monthly billing and collections of City property taxes due on registered motor vehicles. Under the staggered registration system, property taxes become due the first day of the fourth month after the vehicles are registered. The billed taxes are applicable to the fiscal year in which they become due.

The City Council is required to approve the tax levy no later than August 1, although this traditionally occurs in the month of June. Taxes are due on September 1 but do not begin to accrue penalties for nonpayment until the following January 5. Collections of City taxes are made by the County or State and are remitted to the City as collected.

Ad valorem taxes receivable at year-end are not considered to be available as a resource that can be used to finance the current year operations of the City and, therefore, are not susceptible to recognition as earned revenue. The amount of the recorded receivable for ad valorem taxes has been reduced by an allowance for uncollectible accounts and the net receivable is offset by unavailable revenue in an equal amount.

Other accounts receivable reported in governmental funds and which represent amounts considered measurable and available are recorded as revenue but based on state law, are restricted in fund balance at year-end.

Any other accounts receivable which represent amounts not subject to accrual as earned revenue are recorded as assets and are offset by unavailable revenue in an equal amount. Assessments receivable have been reduced by an amount deemed to be uncollectible.

The amounts due from other governmental agencies are grants and participation agreements which are restricted for specific programs and capital projects. Program grants, primarily accounted for in the special revenue funds, are recognized as receivables and revenue in the period benefited, i.e., at the time reimbursable program costs are incurred.

Capital project grants are recorded as receivables and revenues at the time reimbursable project costs are incurred.

3. Inventories, prepaid items and assets held for resale

Inventories in the governmental, enterprise and internal service funds consist primarily of expendable supplies held for consumption. Inventories are recorded as an expenditure at the time an item is used and are carried at cost, using the first-in, first-out (FIFO) method.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

There are no assets held for resale as of June 30, 2021.

4. Restricted assets

Certain proceeds of the City's enterprise fund revenue bonds, general obligation bonds and other long-term debt obligations as defined in Footnote F are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants.

5. Capital assets

Capital assets, which include property, plant, equipment, software, and infrastructure assets, (e.g. streets, sidewalks, water and sewer delivery systems and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. All infrastructure acquired before July 1, 2001 (date of implementation of GASB 34) has been recorded by the City at historical cost if purchased or constructed or at fair market value at the date of donation. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value. All other purchased or constructed capital assets are reported at cost or estimated historical cost. 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. Effective with the adoption of GASB 89 "Accounting for Interest Cost Incurred before the End of a Construction Period", the City of Raleigh no longer capitalizes interest incurred during the construction phase of projects, as these are now recognized as expenditures when incurred.

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

<u>Assets</u>	<u>Years</u>
Buildings and machinery	40
Water and sewer systems	50
Streets and sidewalks	25
Major improvements	20
Software	20
Buses	10
Furniture & fixtures	5
Equipment	5-10

6. *Deferred outflows/inflows of resources*

In addition to assets, the statement of net 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 position that applies to a future period and so will not be recognized as an expense or expenditure until then. The City has several items that meet this criterion, including unamortized bond refunding charges, changes in the fair value of hedging derivatives for interest rate swap agreements, and pension-related deferrals for the Local Governmental Employees' Retirement System (LGERS), Law Enforcement Special Separation Allowance (LEOSSA), and Other Post-Employment Benefits (OPEB) Plans.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, Deferred Inflows of Resources, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The City has several items that meet this criterion, including unearned revenues, prepaid taxes and assessments, property taxes receivable, and pension deferrals for LGERS, LEOSSA, and OPEB Plans.

7. *Earned vacation pay*

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the City does not have a policy to pay any amounts when employees separate from service. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. An expenditure for these amounts is recognized as a result of employee resignations and retirements.

8. *Long-term obligations*

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt expenditures.

9. *Net position/fund balances*

Net position in government-wide and proprietary fund financial statements are classified as net investment in capital assets; restricted; and unrestricted. Restricted net position represents constraints on resources that are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through state statute.

In the governmental fund financial statements, fund balance is composed of five classifications designed to disclose the hierarchy of constraints placed on how fund balance can be spent.

The governmental fund types classify fund balance as follows:

Nonspendable Fund Balance – This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Inventories – portion of fund balance that is not an available resource because it represents the year-end balance for inventories, which are not spendable resources.

Loans receivable - portion of fund balance that is not an available resource because it represents revolving loans receivable due to the City, which are not spendable resources.

Restricted Fund Balance – This classification includes amounts that are restricted to specific purposes externally imposed by creditors or imposed by law.

Restricted for stabilization by state statute - portion of fund balance restricted by State Statute [G.S.15-98(a)].

Restricted for debt service – portion of fund balance that must be used to pay City obligations.

Restricted for federal program reserves – portion of fund balance that is restricted by revenue source for federal programs.

Restricted for public safety – portion of fund balance that is restricted by revenue source for certain emergency telephone system expenditures.

Committed Fund Balance – This classification includes a portion of fund balance that can only be used for specific purposes imposed by majority vote by quorum of City of Raleigh’s City Council. The City Council, by adoption of an ordinance prior to the end of the fiscal year, commits fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Committed for Law Enforcement Officers’ Special Separation Allowance Fund - portion of fund balance committed for contributions to a defined benefit plan provided to City law enforcement officers.

Assigned Fund Balance – This classification includes a portion of fund balance that the City of Raleigh intends to use for specific purposes. The City of Raleigh City Council has designated the City Manager as the delegated Official that can “assign” portions of fund balance per the City of Raleigh’s fund balance goal policy.

Subsequent year’s appropriation – portion of fund balance that is appropriated in the next year’s budget that is not already classified in restricted or committed. The governing body approves the appropriation; all budget amendments regardless of amount must be submitted to the City council for approval.

Assigned for community development – portion of fund balance the City intends to use for community development across the City.

Assigned for City projects – portion of fund balance that the City intends to use for specific projects.

Assigned for disaster recovery – portion of fund balance that the City intends to use for disaster recovery efforts.

Assigned for debt service – portion of fund balance that the City intends to use for future debt service payments.

Unassigned Fund Balance – This classification includes the portion of fund balance that has not been restricted, committed, or assigned to specific purposes or other funds.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the City considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the City considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the City Council has provided otherwise in its commitment or assignment actions.

The City of Raleigh has also adopted a minimum fund balance policy for the general fund which instructs management to conduct business of the City in such a manner that available fund balance is at least equal to or greater than 14.00% of next year's budgeted expenditures. Any portion of the general fund balance in excess of 14.00% of budgeted expenditures may be appropriated for one-time expenditures and may not be used for any purpose that would obligate the City in a future budget.

10. Pensions

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 Local Governmental Employees' Retirement System (LGERS) and additions to/deductions from LGERS' fiduciary net position have been determined on the same basis as they are reported by LGERS. For this purpose, plan member contributions are recognized in the period in which the contributions are due. The City of Raleigh's employer contributions are recognized when due and the City of Raleigh has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of LGERS.

The City also administers a single-employer defined benefit pension plan that provides retirement benefits to the City's sworn law enforcement. This Law Enforcement Special Separation Allowance (LEOSSA) Plan is consolidated with the General Fund for reporting in compliance with GASB Statement No. 73 as it is not a defined trust. The full accrual impacts of the pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense are captured on the government-wide statements.

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the OPEB Plan and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis as they are reported by the OPEB Plan. For this purpose, the OPEB Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Employer contributions are determined and paid annually based on actuarial recommendations.

All investments for pensions as described above are reported at fair value.

11. Interest rate swap

The City enters into interest rate swap agreements to modify interest rates on outstanding debt. The interest rate swaps are reported in the net position statements for government-wide and proprietary funds at fair market value.

Note 2. Stewardship, Compliance and Accountability

A. Budgetary information

As required by the North Carolina Budget and Fiscal Control Act, the City adopts balanced budget ordinances for all funds except the trust funds, which are not budgeted. The budgets shown in the financial statements reflect amounts adopted by the budget ordinances as amended and approved at the close of the day on June 30, 2021. The City adopts annual budgets prepared on the modified accrual basis for the general fund, the enterprise operating funds and the convention center financing fund. All other funds including all capital project funds and the remaining grant funds adopt project budgets.

The appropriated budget is prepared by fund, function, and department. Appropriations are adopted at the fund level except for the General fund which is adopted at the department level, and the Water and Sewer fund which is adopted at the function level. The adopted budget is entered into the accounting records and comparisons of actual to budget are made throughout the year. Adjustments to the original budget may become necessary to meet changing circumstances during the fiscal year. Two types of changes can occur: budget amendments and budget transfers. Such changes are required at the line-item level of the budget underlying the budget ordinance. The City Manager is authorized to transfer budget amounts within a fund up to \$50,000. Transfers greater than \$50,000, all transfers between funds, and all amendments increasing total budgeted expenditures require City Council approval.

Appropriations for funds with annual budgets lapse at the end of the budget year. Capital and grant project budget appropriations do not lapse until the completion of the project or grant. However, City Council may amend these budgets throughout the year for new projects or other changes to existing appropriations as are needed. Encumbrances outstanding at year-end are reported as “reserved for encumbrances” against fund balance and are reappropriated during the subsequent year.

The accompanying Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General fund presents comparisons of the original and final budget with actual data. Since the legally adopted budget is on a basis that differs from GAAP, the actual data is similarly presented on a budgetary basis for comparison purposes.

B. Deficit net position

As a result of the effects from GASB 68 and GASB 75 pension standards, one fund reflects a deficit in net position - Vehicle Fleet Services Fund (\$4,802,248).

The City funds both the LGERS and OPEB liability based on actuarially determined contributions recommended for the pension plans.

Note 3. Detailed Notes on All Funds

A. Deposits and investments

Deposits. All of the City's deposits are either insured or collateralized by the Pooling Method. Under the Pooling Method, a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the City, these deposits are considered to be held by the City's agent in the City's name. The amount of the pledged collateral is based on an approved averaging method for non-interest-bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the City or the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the City under the Pooling Method, the potential exists for under-collateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each Pooling Method depository. The City relies on the State Treasurer to enforce standards of minimum capitalization for all pooling method financial institutions and to monitor them for compliance. It is the City's policy to utilize only the pooling method of collateralization. The City complies with the provisions of G.S. 159-31 when designating official depositories and verifying that the deposits are properly secured.

As of June 30, 2021, the City's bank balance in operating accounts was \$42,398,988 and the carrying amount of the City's deposits was \$35,285,822. The difference represents reconciling items such as deposits and payments in transit. Of the bank balance, \$258,090 was covered by federal depository insurance and \$42,140,908 was covered by collateral held under the Pooling Method.

Investments. As of June 30, 2021, the City had the following investments and maturities:

Investment Type	Valuation					
	Measurement Method	Fair Value	%	< 1 Year	1- 3 Years	>3 - 5 Years
US Government Treasuries	Fair Value, Level 1	\$ 293,415,857	26.37%	\$ 155,242,739	\$ 138,173,118	\$ -
US Government Agencies	Fair Value, Level 2	597,644,326	53.70%	169,423,589	387,955,374	40,265,363
NCCMT - Government Portfolio	Amortized Cost	30,675,846	2.76%	30,675,846	-	-
NC Municipal Bonds	Fair Value, Level 1	34,722,155	3.13%	11,825,246	16,857,610	6,039,299
Mutual Funds	Fair Value, Level 1	76,359,242	6.86%	76,359,242	-	-
Commercial Paper	Amortized Cost	79,906,743	7.18%	79,906,743	-	-
Total City-wide investments		\$ 1,112,724,169	100.00%	\$ 523,433,405	\$ 542,986,102	\$ 46,304,662

All investments are measured using the market approach: using prices and other relevant information generated by market transactions involving identical or comparable assets or a group of assets.

Level of fair value hierarchy: Level 1: Debt securities valued using directly observable, quoted prices (unadjusted) in active markets for identical assets. Level 2: Debt securities are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' benchmark quoted prices.

Interest Rate Risk. As a means of limiting its exposure to fair value losses arising from rising interest rates, the City's investment policy limits direct investment of operating funds to securities maturing no more than five years from the date of purchase. Investments shown with a maturity date greater than five years are pursuant to N.C.G.S. 147-69.2 and represent accounts holding the City's capital reserves, risk reserve funds, and Law Enforcement Officer's special separation allowance fund. Also, the City's investment policy requires purchases of securities to be laddered with staggered maturity dates to meet the operating requirements of each individual fund and cash flow requirements of the City's overall operations. Reserve funds invested by external asset managers are not required to meet liquidity needs within the short-term and may have maturities generally consistent with benchmark indices established to monitor performance of the asset managers.

Credit Risk. State law limits investments in commercial paper to the top rating issued by nationally recognized statistical rating organizations (NRSROs). The City limits investments to the provisions of G.S. 159-30 and restricts the purchase of securities to the highest possible ratings whenever particular types of securities are rated. The City currently holds investments with long-term credit ratings as follows:

Bank	Long-term Credit Ratings		
	S & P	Moody's	Fitch
US Treasury Obligations	AA+	Aaa	AAA
US Government Agency Securities	AA+	Aaa	AAA
First National Bank (certificate of deposit)	N/A	A3	N/A
NCCMT - Government Portfolio	AAAm	Aaa-mf	N/A

Concentration of Credit Risk. The City's investment policy does not restrict the level of investment in US Treasury Obligations, US Government Agency Securities or the NCCMT, but it restricts investment in NC municipal bonds to no more than 10.00% of the total investment portfolio and commercial paper or bankers' acceptances of a single issuer to no more than 5.00% of the total investment portfolio. As of June 30, 2021, NC municipal bonds comprise 3.13% of the total investment portfolio and commercial paper is 7.18% of the total investment portfolio, with no allocation to a single user above the 5% policy target.

Fiduciary funds are reported on a stand-alone basis and are not presented in the government-wide statement of net position.

A summary of cash and investments as of June 30, 2021 is as follows:

	Government-wide	Fiduciary	Total
Petty cash and change funds	\$ 17,145	\$ -	\$ 17,145
Deposits (checking, money market)	31,403,124	-	31,403,124
Fiduciary cash	-	164,744,792	164,744,792
Investments	1,112,724,169	-	1,112,724,169
Total cash and cash equivalents	1,144,144,438	164,744,792	1,308,889,230
Restricted deposits and bond proceeds	157,585,456	-	157,585,456
Total cash	\$ 1,301,729,894	\$ 164,744,792	\$ 1,466,474,686

Investment results shown in the financial statements are a combination of actual interest received, realized gains and losses on current year activity, and unrealized gains and losses as of the balance sheet date.

B. Capital assets

Capital asset activity for the year ended June 30, 2021 was as follows:

	June 30, 2020	Additions	Transfers	Deletions	June 30, 2021
<u>Governmental activities</u>					
Capital assets, not being depreciated:					
Land	\$ 214,768,469	\$ 4,109,365	\$ -	\$ -	\$ 218,877,834
Construction in progress	381,227,908	88,612,318	(91,893,685)	(24,955)	377,921,586
Total capital assets, not being depreciated	<u>595,996,377</u>	<u>92,721,683</u>	<u>(91,893,685)</u>	<u>(24,955)</u>	<u>596,799,420</u>
Capital assets, being depreciated:					
Buildings and machinery	310,359,481	-	37,542,518	-	347,901,999
Streets and sidewalks	788,986,193	5,343,741	24,422,114	-	818,752,048
Equipment	137,702,274	8,528,429	4,289,707	(4,938,879)	145,581,531
Furniture and fixtures	1,340,062	-	-	-	1,340,062
Improvements - general and parks	366,798,280	606,911	25,639,346	-	393,044,537
Software	46,851,680	-	-	-	46,851,680
Total capital assets being depreciated	<u>1,652,037,970</u>	<u>14,479,081</u>	<u>91,893,685</u>	<u>(4,938,879)</u>	<u>1,753,471,857</u>
Less accumulated depreciation for:					
Buildings and machinery	89,297,187	8,427,459	-	-	97,724,646
Streets and sidewalks	561,109,067	23,378,994	-	-	584,488,061
Equipment	101,512,584	12,082,699	-	(4,332,434)	109,262,849
Furniture and fixtures	1,332,585	3,086	-	-	1,335,671
Improvements - general and parks	183,467,564	16,031,027	-	-	199,498,591
Software	23,501,381	2,342,584	-	-	25,843,965
Total accumulated depreciation	<u>960,220,368</u>	<u>62,265,849</u>	<u>-</u>	<u>(4,332,434)</u>	<u>1,018,153,783</u>
Total capital assets being depreciated, net	<u>691,817,602</u>	<u>(47,786,768)</u>	<u>91,893,685</u>	<u>(606,445)</u>	<u>735,318,074</u>
Governmental activities capital assets, net	<u>\$ 1,287,813,979</u>	<u>\$ 44,934,915</u>	<u>\$ -</u>	<u>\$ (631,400)</u>	<u>\$ 1,332,117,494</u>

Depreciation expense was charged to functions/programs of the governmental activities as follows:

General government	\$ 4,428,898
Community development	7,155
Public infrastructure	32,459,271
Public safety	2,604,217
Leisure services	13,058,151
Capital assets held by certain internal service funds are charged to the various governmental functions based on the usage of the assets	<u>9,708,157</u>
Total depreciation expense - governmental activities	<u>\$ 62,265,849</u>

Annexations: The amount reported as additions for street and sidewalks includes \$5,019,897 from annexations.

	June 30, 2020	Additions	Transfers	Deletions	June 30, 2021
<u>Business-type activities</u>					
Capital assets, not being depreciated:					
Land	\$ 94,504,329	\$ -	\$ 566,680	\$ -	\$ 95,071,009
Construction in progress	691,545,606	173,976,387	(62,135,388)	(39,993)	803,346,612
Watershed protection rights	4,780,059	-	-	-	4,780,059
Total capital assets, not being depreciated	<u>790,829,994</u>	<u>173,976,387</u>	<u>(61,568,708)</u>	<u>(39,993)</u>	<u>903,197,680</u>
Capital assets, being depreciated:					
Buildings and machinery	405,449,625	-	-	-	405,449,625
Water and sewer systems	1,271,749,241	18,089,597	26,634,490	-	1,316,473,328
Parking decks	156,535,540	-	-	-	156,535,540
Buses	51,643,170	3,784,506	-	(3,559,042)	51,868,634
Equipment	115,957,915	8,084,200	-	(2,722,300)	121,319,815
Furniture and fixtures	2,851,604	-	-	-	2,851,604
Improvements	309,683,686	1,022,940	34,934,218	-	345,640,844
Total capital assets being depreciated	<u>2,313,870,781</u>	<u>30,981,243</u>	<u>61,568,708</u>	<u>(6,281,342)</u>	<u>2,400,139,390</u>
Less accumulated depreciation for:					
Buildings and machinery	150,959,458	9,865,909	-	-	160,825,367
Water and sewer systems	481,821,193	27,286,380	-	-	509,107,573
Parking decks	58,553,872	4,079,979	-	-	62,633,851
Buses	29,746,521	3,982,013	-	(3,478,656)	30,249,878
Equipment	83,359,304	10,876,673	-	(2,704,556)	91,531,421
Furniture and fixtures	2,825,421	8,728	-	-	2,834,149
Improvements	149,218,709	16,060,898	-	-	165,279,607
Total accumulated depreciation	<u>956,484,478</u>	<u>72,160,580</u>	<u>-</u>	<u>(6,183,212)</u>	<u>1,022,461,846</u>
Total capital assets being depreciated, net	<u>1,357,386,303</u>	<u>(41,179,337)</u>	<u>61,568,708</u>	<u>(98,130)</u>	<u>1,377,677,544</u>
Business-type activities capital assets, net	<u>\$ 2,148,216,297</u>	<u>\$ 132,797,050</u>	<u>\$ -</u>	<u>\$ (138,123)</u>	<u>\$ 2,280,875,224</u>

Depreciation expense was charged to functions/programs of the business-type activities as follows:

Water/Sewer	\$ 42,581,125
Convention center	7,470,411
Parking	4,199,437
Mass Transit	5,312,378
Stormwater	3,437,517
Solid Waste Services	899,258
Capital assets held by certain internal service funds are charged to the various business-type activities based on the usage of the assets	8,260,454
Total depreciation expense - business-type activities	<u>\$ 72,160,580</u>

Annexations: The amount reported as additions for water and sewer systems includes \$17,894,793 from annexations.

Commitments - construction projects. As of June 30, 2021, the City has \$538,524,119 in project obligations for business-type activities for construction projects in progress including encumbered amounts as follows: \$461,729,266 for water and sewer projects, \$56,150,933 for transit projects, \$17,166,030 for stormwater projects, \$2,475,459 for convention center projects and \$1,002,431 for parking garage projects. These obligations are fully budgeted and are financed through a variety of City available financing tools.

In addition, the City has \$202,540,394 in general government project obligations as of June 30, 2021. These obligations relate to construction in progress projects including encumbered amounts for street construction, redevelopment projects and community center and park construction, and other major public facilities. These projects are fully budgeted and the funding for these governmental projects is indicated through designations of fund balance as of June 30, 2021.

C. Unavailable revenue and unearned revenue

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

	General	Nonmajor Governmental	Total
Amounts arising from cash:			
Police informant account	\$ 9,740	\$ -	\$ 9,740
Cemetery cash account	8,090	-	8,090
Cafeteria plan cash	365,150	-	365,150
Prepaid taxes and assessments	108,196	7,408	115,604
Unearned revenue	1,476	1,943,870	1,945,346
	<u>492,652</u>	<u>1,951,278</u>	<u>2,443,930</u>
Amounts not arising from cash:			
Taxes receivable	590,546	-	590,546
Assessments receivable	320,003	228,447	548,450
	<u>910,549</u>	<u>228,447</u>	<u>1,138,996</u>
Total	<u>\$ 1,403,201</u>	<u>\$ 2,179,725</u>	<u>\$ 3,582,926</u>

D. Interfund receivables, payables, and transfers

Interfund balances result from timing differences between dates (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. These balances routinely clear out each month or prior to year-end.

The composition of interfund balances as of June 30, 2021, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General fund	Nonmajor governmental funds	\$ 7,208,540
	Mass transit fund	10,401,613
	Parking fund	5,931,594
	Subtotal	<u>23,541,747</u>
Nonmajor governmental funds	General fund	7,790
	Nonmajor governmental funds	432,722
	Mass transit fund	106,080
	Subtotal	<u>546,592</u>
Water and sewer fund	Nonmajor governmental funds	14,567
	Solid Waste fund	90,000
	Subtotal	<u>104,567</u>
Convention center complex fund	Nonmajor governmental funds	160,780
Stormwater fund	Nonmajor governmental funds	1,336
Parking fund	Nonmajor governmental funds	192
Solid waste services fund	Nonmajor governmental funds	26,446
Internal service funds	Nonmajor governmental funds	138
	Internal service funds	750,000
	Subtotal	<u>750,138</u>
Fiduciary funds	General fund	168,455
	Total	<u>\$ 25,300,253</u>

The largest component of the \$23,541,747 receivables in the general fund represents an interfund loan for cash deficits that were covered by the general fund and reclassified to the enterprise mass transit fund (\$10,401,613) as well as nonmajor governmental grants fund (\$6,931,686). This reclassification occurs due to the nature of grant drawdowns and the fact the City has pre-spending authority on most grant projects. There is also an interfund outstanding loan (\$5,931,594) placed with the enterprise parking fund as part of a private-public partnership on a downtown parking deck. In addition, there are small amounts owed to the nonmajor governmental and business-type activities that also represent normal fiscal operations. The general fund payable (\$168,455) represents a final year-end retiree contribution owed to the OPEB fund, which is a fiduciary fund.

A summary of interfund transfers for the fiscal year ended June 30, 2021 is as follows:

Funds	Nonmajor		Water and	Solid Waste	Convention		Internal	Total	
	General fund	governmental	Sewer	Services	Parking	Center	Mass transit	service	Transfers Out
General fund	\$ -	\$ 11,941,210	\$ -	\$ 7,730,000	\$ 4,000,000	\$ 4,872,802	\$ 17,005,170	\$ 1,928,102	\$ 47,477,284
Nonmajor governmental	8,632,875	-	-	933,634	-	23,019,091	-	-	32,585,600
Water and sewer	-	-	-	145,000	-	-	-	-	145,000
Solid waste services	-	199,000	90,000	-	-	-	-	-	289,000
Parking	-	-	-	-	-	-	-	380,000	380,000
Stormwater	229,914	-	-	-	-	-	-	-	229,914
Total Transfers In	\$ 8,862,789	\$ 12,140,210	\$ 90,000	\$ 8,808,634	\$ 4,000,000	\$ 27,891,893	\$ 17,005,170	\$ 2,308,102	\$ 81,106,798

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the general fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

The transfer made internally in the general fund between its operating and debt service components was \$68,132,799. This transfer was eliminated as part of the consolidation of the general fund as reported in the basic financial statements.

E. Operating leases

During fiscal year 2020-21 total rental payments on noncancelable operating leases was \$7,984,592. The following is a schedule by years of minimum future rentals on noncancelable operating leases as of June 30, 2021:

<u>Fiscal Year Ending June 30</u>	<u>Lease Payments</u>
2022	\$ 6,968,767
2023	5,932,337
2024	4,674,106
2025	3,593,435
2026	2,254,126
2027 and beyond	5,534,378
	<u>\$ 28,957,149</u>

F. Long-term obligations

1. General obligation bonds

The City issues general obligation bonds to fund the acquisition and/or construction of Parks and Recreation, Transportation and Housing Program capital needs. General obligation bonds have been issued for the governmental activities. The bonds are direct obligations and interest on the bonds is payable semi-annually. The City pledges its full faith and credit and taxing power as security for General Obligation bonds. In the event of a material default, the North Carolina Local Government Commission is vested with all of the powers of the City Council as to the levy of taxes, expenditure of money, adoption of budgets, and all other financial powers conferred by law.

General obligation bonds outstanding at June 30, 2021 are as follows:

Governmental Activities	Interest Rates	Date Issued	Date Series Matures	Amount of Original Issue	Balance Outstanding June 30, 2021	Due Within One Year Fiscal 2021-2022
GO Refunding, Series 2011A	2.50% to 5.00%	10/27/2011	9/01/2022	\$ 32,055,000	\$ 11,710,000	\$ 8,025,000
Public Improvement, Series 2012A	3.00% to 5.00%	5/15/2012	4/01/2032	9,000,000	1,950,000	300,000
Public Improvement, Series 2012B	3.00% to 5.00%	5/16/2012	4/01/2032	138,600,000	29,650,000	4,700,000
Public Improvement, Series 2014	3.00% to 3.25%	6/26/2014	6/01/2032	15,000,000	9,800,000	800,000
Street Improvement, Series 2015A	3.00% to 5.00%	6/24/2015	6/01/2034	5,050,000	3,550,000	250,000
GO Bonds, Series 2015B	3.00% to 5.00%	6/25/2015	6/01/2034	20,000,000	14,000,000	1,000,000
Housing Bonds, Series 2015C - Taxable	3.00% to 4.00%	6/25/2015	6/01/2034	10,000,000	7,000,000	500,000
General Obligation Refunding, Series 2016A	2.25% to 5.00%	3/02/2016	9/01/2030	101,850,000	101,850,000	-
General Obligation Refunding, Series 2016B	0.50% to 1.99%	3/02/2016	9/01/2022	16,255,000	8,485,000	5,525,000
Housing Bonds, Series 2016C	2.00% to 3.375%	3/02/2016	2/01/2036	6,000,000	4,500,000	300,000
Public Improvement Bonds, Series 2017	3.00% to 5.00%	2/14/2017	2/01/2037	68,000,000	54,400,000	3,400,000
Total Governmental Activities					<u>\$ 246,895,000</u>	<u>\$ 24,800,000</u>

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

Fiscal Year Ending June 30	Governmental Activities	
	Principal	Interest
2022	\$ 24,800,000	\$ 9,783,551
2023	23,490,000	8,732,246
2024	21,810,000	7,818,288
2025	21,825,000	6,860,869
2026	21,880,000	5,827,350
2027-2031	98,740,000	15,885,500
2032-2036	30,950,000	3,089,263
2037	3,400,000	119,000
	<u>\$ 246,895,000</u>	<u>\$ 58,116,067</u>

1a. General Obligation Bond Anticipation Notes

The City has available a direct placement obligation bond anticipation note (BAN) program to finance street improvements, public improvements, parks and housing projects. BANs are short-term interest-bearing securities that are issued in advance of a larger, future bond issue. The anticipated long-term financing will be used to retire or pay off the BANs. The aggregate principal amount of the notes outstanding at any one time shall not exceed \$163,446,666. The notes are a general obligation of the City, and the city has pledged its faith and credit to the payment of the principal and interest on the notes. The notes will be replaced by permanent financing with general obligation bonds on or before the notes mature on May 1, 2023, and the BANs can be refinanced with a notice period of 30 days. The City had direct placement general obligation bond anticipation notes payable of \$80,277,435 outstanding at June 30, 2021. Interest rates are based upon market conditions.

Direct placement general obligation bond note and debt service requirements to maturity are as follows:

Fiscal Year Ending June 30	Governmental Activities	
	Principal	Interest
2022	\$ -	\$ 333,074
2023	80,277,435	277,562
	<u>\$ 80,277,435</u>	<u>\$ 610,636</u>

Status of Bond Authorizations. The following represent continuing authorization of general obligation bonds, which were unsold at June 30, 2021:

Purpose	Date of Authorization	Type of Authorization	Bonds Authorized	Bonds Authorized
			Not Yet Issued	Not Issued/Drawn
Transportation	10/8/2013 *	Go Voted	\$ 35,090,000	\$ 35,090,000
Parks and Recreation	11/4/2014 *	Go Voted	63,685,000	63,685,000
Transportation	10/10/2017	Go Voted	206,700,000	47,225,000
Housing	4/7/2020	Go Two Thirds (non-voted)	4,700,000	4,700,000
Parks and Recreation	4/7/2020	Go Two Thirds (non-voted)	5,842,704	5,842,704
Public Safety	4/7/2020	Go Two Thirds (non-voted)	1,600,000	1,600,000
Transportation	4/7/2020	Go Two Thirds (non-voted)	5,303,962	5,303,962
Housing	11/3/2020	Go Voted	80,000,000	-
Total			<u>\$ 402,921,666</u>	<u>\$ 163,446,666</u>

Note: BANs are not considered issued from a legal perspective

* The City extended the time period for the issuance of bonds pursuant to the bond orders from seven to ten years

2. Defeased debt and refundings

There was no refunding of any types of debt in fiscal year 2020-21.

In prior years, the City has defeased various other bond issues by creating separate irrevocable trust funds. New debt has been issued and the proceeds have been used to purchase U.S. government securities that were placed in the trust funds. The investments and fixed earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt has been considered defeased and therefore removed as a liability from the City's government-wide financial statements. As of June 30, 2021, the amount of defeased debt outstanding was \$283,591,338.

3. Revenue bonds

The City also issues revenue bonds to fund various water and sewer utility capital projects for the purpose of making water and sewer system improvements. The bonds are payable serially over the next 30 years.

The City pledges the net receipts of the Combined Enterprise System as security for revenue bonds. In the event of a material default, the trustee may declare the outstanding principal due and payable immediately. In addition, trustee may require the City to endorse all checks and other negotiable instruments representing receipts to the order of the trustee immediately.

Annual debt service requirements for 2020-21 were 20.40% of gross utility revenue and are expected to remain in this range.

Revenue bonds outstanding at June 30, 2021 are as follows:

	Interest Rates	Date Issued	Date Series Matures	Amount of Original Issue	Balance Outstanding June 30, 2021	Due Within One Year Fiscal 2021-2022
Water and Sewer Revenue Bonds						
Water/Sewer, Series 2008A Variable Rate	4.163%	6/12/2008	3/01/2035	\$ 90,000,000	\$ 61,915,000	\$ 3,280,000
Water/Sewer, Series 2008B Variable Rate	4.163%	6/12/2008	3/01/2035	60,000,000	41,290,000	2,190,000
Water/Sewer Refunding, Series 2010A	2.25 - 5.00%	3/20/2010	3/01/2023	68,745,000	16,715,000	8,155,000
Water/Sewer, Series 2013A	2.00 - 5.00%	5/16/2013	3/01/2043	66,895,000	34,665,000	1,615,000
Water/Sewer Refunding, Series 2013B, Taxable	0.65 - 2.14%	5/16/2013	3/01/2022	23,470,000	2,525,000	2,525,000
Water/Sewer Refunding, Series 2015A	3.25 - 4.00%	4/30/2015	12/01/2035	47,815,000	47,815,000	-
Water/Sewer Refunding, Series 2015B	3.00 - 5.00%	12/08/2015	12/01/2025	49,860,000	34,335,000	6,785,000
Water/Sewer, Series 2016A	3.00 - 5.00%	11/16/2016	3/01/2046	99,170,000	93,190,000	2,170,000
Water/Sewer Refunding, Series 2016B	3.00 - 5.00%	11/16/2016	3/01/2040	92,190,000	92,190,000	3,220,000
Water/Sewer Refunding, Series 2019A	1.75 - 3.24%	11/26/2019	3/01/2031	33,780,000	33,445,000	340,000
Water/Sewer Refunding, Series 2019B	1.75 - 3.24%	11/26/2019	3/01/2043	151,525,000	148,980,000	2,250,000
Total Water and Sewer Revenue Bonds					\$ 607,065,000	\$ 32,530,000

Annual debt service requirements to maturity are as follows:

Fiscal Year Ending June 30	Business-type Activities	
	Principal	Interest
2022	\$ 32,530,000	\$ 21,814,407
2023	31,395,000	20,395,909
2024	32,800,000	18,963,788
2025	32,455,000	17,806,803
2026	33,650,000	16,618,870
2027-2031	178,990,000	66,989,865
2032-2036	169,690,000	36,191,231
2037-2041	62,480,000	12,776,177
2042-2046	33,075,000	3,581,490
	<u>\$ 607,065,000</u>	<u>\$ 215,138,540</u>

The following schedule shows the expiration dates for the 2008A and 2008B variable rate bonds, which can be renewed, and fees paid in fiscal year 2020-21 pursuant to the terms of the debt agreements.

Issue	Balance June 30, 2021	Agreement Expiration	Fees Paid FY 2021	Rate June 30, 2021
2008A	\$ 61,915,000	January 5, 2022	\$ 328,876	4.36 %
2008B	41,290,000	March 1, 2023	219,313	4.36 %
	<u>\$ 103,205,000</u>		<u>\$ 548,189</u>	

3a. Revenue Bond Anticipation Notes

The City has available a Water and Sewer direct placement revenue bond anticipation note (BAN) program to finance water and sewer projects. BANs are short-term interest-bearing securities that are issued in advance of a larger, future bond issue. The anticipated long-term financing will be used to retire or pay off the BANs. The aggregate principal amount of the notes outstanding at any one time shall not exceed \$200,000,000. The notes are payable from net revenues of the water and sewer systems. The notes do not constitute a legal or equitable pledge, charge, lien or encumbrance upon any of the City's property or upon any of its income, receipts or revenues, except as provided in the revenue bond orders. Neither the credit nor the taxing power of the City is pledged for the payment of the principal or interest, and no owner has the right to compel the exercise of the taxing power of the City or the forfeiture of any of its property in connection with any default on the notes. The notes will be replaced by permanent financing with revenue bonds on or before the notes mature on May 1, 2024, and the BANs can be refinanced with a notice period of 30 days. The City had direct placement revenue bond anticipation notes payable of \$30,100,000 outstanding at June 30, 2021. Interest rates are based upon market conditions.

Direct placement revenue bond note and debt service requirements to maturity are as follows:

Fiscal Year Ending June 30	Governmental Activities	
	Principal	Interest
2022	\$ -	\$ 72,014
2023	-	72,014
2024	30,100,000	60,011
	<u>\$ 30,100,000</u>	<u>\$ 204,039</u>

A trust agreement, dated December 1, 1996 and amended by the First Amendatory Trust Agreement, dated as of April 15, 2004, authorizes and secures all outstanding revenue bonds. Certain financial covenants are contained in the trust agreement, controlled by the trustee, including the requirement that the City maintain a long-term debt service coverage ratio on all utility debt of no less than 1.00. The City was in compliance with all such covenants during the fiscal year ended June 30, 2021.

The debt service coverage ratio for the fiscal year end is as follows:

Operating revenues	\$ 270,969,138
Operating expenses	(158,670,089)
Operating income	112,299,049
Nonoperating revenues	24,288,461
Nonoperating expenses	(25,847,863)
Change in net position	110,739,647
Allowable revenue adjustments for calculation	(15,925,848)
Allowable expense adjustments for calculation	73,371,982
Income available for debt service	<u>\$ 168,185,781</u>
Debt service, principal and interest paid on	
revenue bonds and certain state loans (Parity)	\$ 60,198,037
Debt service coverage ratio	2.79

4. *Other long-term obligations*

Other long-term obligations include reimbursement contracts, certificates of participation, installment financing agreements, limited obligation bonds, earned vacation pay and landfill closure and postclosure costs. The total amount to be paid in the future periods including interest on certificates, installment financing agreements and other installment obligations is \$818,940,679.

The City pledges real property, such as City-owned buildings, land, and/or equipment as security for its various installment financing agreements, limited obligation bonds, certificates of participation, direct placement loans. In the event of a material default, the trustee may declare the entire unpaid principal of the bonds to be immediately due and payable. In addition, the trustee may immediately institute foreclosure proceedings to attempt to dispose of the mortgaged property and apply the proceeds towards the balance owed on the bonds.

Installment Financing Agreements. The City has previously issued \$243,425,000 in variable rate certificates of participation to finance the construction of the convention center.

This debt was sold by the Walnut Creek Financing Assistance Corporation, a blended component unit of the City, whose main purpose is to issue certificates of participation for the City. The City has remarketing and standby purchase agreements with banks related to two variable rate issues. Under these agreements, the banks will remarket any certificates for which payment is demanded. If the certificates cannot be remarketed, the banks will purchase the certificates. Interest rates may change pursuant to the terms of the debt agreements based on market conditions. The interest rates, per the remarketing agreements, cannot exceed 12.00%. The maximum interest, which cannot exceed 12.00%, required for these variable rate certificates through maturity would be \$305,034,600.

The following schedule shows the expiration dates, which can be renewed, fees paid in fiscal year 2020-21 pursuant to the terms of the debt agreements.

Issue	Balance June 30, 2021	Agreement Expiration	Fees Paid FY 2021	Rate June 30, 2021
2004A *	\$ 55,000,000	January 5, 2022	\$ 147,098	0.03 %
2005B **	129,260,000	March 1, 2023	570,076	4.163 %
	\$ 184,260,000		\$ 717,174	

* Unhedged variable rate issuance. No associated swap

** Interest rate swap

The debt service requirements to maturity, for these variable-rate installment financing agreements, including the converted fixed rate note, are shown below:

Fiscal Year Ending June 30	Business-type Activities	
	Principal	Interest
2022	\$ 10,095,000	\$ 7,230,736
2023	10,570,000	6,790,594
2024	11,050,000	6,329,742
2025	11,560,000	5,871,590
2026	12,135,000	5,333,532
2027-2031	72,045,000	18,273,006
2032-2034	56,805,000	3,772,456
	\$ 184,260,000	\$ 53,601,656

The 2016 Limited Obligation Bonds related to the Convention Center were issued on 2/24/16 to fund upfit and maintenance of the facility. These bonds mature on 2/1/2036, and annual debt service requirements to maturity are shown below:

Fiscal Year Ending June 30	Business-type Activities	
	Principal	Interest
2022	\$ 850,734	\$ 570,008
2023	850,734	535,978
2024	850,734	493,442
2025	850,735	450,905
2026	850,734	408,369
2027-2031	4,234,707	1,404,811
2032-2036	4,219,883	430,576
	<u>\$ 12,708,261</u>	<u>\$ 4,294,089</u>

The City has previously entered into installment financing agreements to finance various general governmental capital projects. These debt issues carry fixed interest rates of 3.00% to 5.25% (downtown improvement projects) and 3.00% to 4.25% (parks projects). The City also previously entered into limited obligation bonds that carry fixed coupon interest rates from 3.00% to 5.57%, and one variable rate at 0.03% at June 30, 2021, for the purpose of rehabilitating existing structures and constructing remote operations centers. Principal and interest requirements will be provided by appropriation in the year in which they become due. A detail of these debt issues is as follows:

Installment Financing Agreements - General Governmental	Date Issued	Date Series Matures	Amount of Original Issue	Balance	Due Within
				Outstanding June 30, 2021	One Year Fiscal 2021-2022
Limited Obligation Bds 2013A&B	10/03/2013	10/01/2038	\$ 47,595,000	\$ 8,280,000	\$ 2,070,000
Limited Obligation Bds 2013B Refunding	10/03/2013	10/01/2024	5,885,000	2,190,000	565,000
Limited Obligation Bds 2014A - CPS Fac & FS 12	8/28/2014	10/01/2039	66,715,000	50,710,000	2,670,000
Dix Park Acquisition IFA 2015	7/24/2015	7/01/2025	52,000,000	26,000,000	5,200,000
Limited Obligation Bds 2016 - Refunded 2007 COPS (Fayetteville St)	2/24/2016	2/01/2027	3,031,757	1,784,165	301,052
Limited Obligation Bds 2016 - Refunded 2007 COPS (Transfer Station)	2/24/2016	2/01/2027	906,722	583,659	86,667
Limited Obligation Bds 2016 - Refunded PNC Draw Prog	2/24/2016	2/01/2036	6,438,250	4,825,275	323,050
Limited Obligation Bds 2016 - New Money	2/24/2016	2/01/2036	2,216,575	1,661,464	111,215
Limited Obligation Bds 2016A - Refunded 2009 LOBS	6/15/2016	6/01/2024	3,819,270	1,330,938	458,740
Limited Obligation Bds 2016A - Refunded 2009 LOBS	6/15/2016	6/01/2034	23,577,928	17,009,177	1,309,296
Limited Obligation Bds 2020A - New Money	6/18/2020	10/01/2038	36,965,000	35,120,000	1,850,000
Limited Obligation Bds 2020A - Refunded 2010A LOBs	6/18/2020	10/01/2038	17,390,974	16,262,537	1,086,217
Limited Obligation Bds 2020B - Refunded 2013A LOBs	6/18/2020	10/01/2038	33,935,000	33,265,000	525,000
Total Installment Financing Agreements - General Governmental				<u>\$ 199,022,215</u>	<u>\$ 16,556,237</u>

Annual maturities are as follows:

Fiscal Year Ending June 30	Governmental Activities	
	Principal	Interest
2022	\$ 16,556,237	\$ 6,988,885
2023	16,551,738	6,384,945
2024	16,546,451	5,772,184
2025	16,127,828	5,145,355
2026	15,583,806	4,576,881
2027-2031	49,547,192	16,765,631
2032-2036	44,258,963	7,587,020
2037-2040	23,850,000	1,459,688
	<u>\$ 199,022,215</u>	<u>\$ 54,680,589</u>

The City has previously entered into installment financing agreements to finance various downtown parking facilities. These agreements bear interest at rates ranging from 4.20% to 5.25% with a variable rate component for one agreement, not to exceed 15.00%, which was 0.03% at June 30, 2021. There are also two variable rate agreements that each had an interest rate of 0.03% at June 30, 2021. Principal and interest requirements will be provided by appropriation in the year in which they become due. A detail of these debt issues is as follows:

	Date Issued	Date Series Matures	Amount of Original Issue	Balance Outstanding June 30, 2021	Due Within One Year Fiscal 2021-2022
Installment Financing Agreements - Parking					
COPS 2008 - Taxable - Blount St Parking Deck	8/13/2008	8/01/2033	\$ 12,950,000	\$ 7,715,000	\$ 495,000
COPS 2009 - Taxable - Site One Parking Deck	8/12/2009	8/01/2035	24,875,000	18,010,000	945,000
Limited Obligation Bds 2013B Refunding	10/03/2013	10/01/2024	8,860,000	3,845,000	925,000
Limited Obligation Bds 2014B Refunding	11/05/2014	10/01/2034	21,370,000	16,875,000	880,000
Limited Obligation Bds 2016 - Refunded 2007 COPS	2/24/2016	02/01/2032	9,429,633	7,332,539	565,614
Total Installment Financing Agreements - Parking				<u>\$ 53,777,539</u>	<u>\$ 3,810,614</u>

Annual maturities are as follows:

Fiscal Year Ending June 30	Business-type Activities	
	Principal	Interest
2022	\$ 3,810,614	\$ 2,097,023
2023	3,961,318	2,034,605
2024	4,121,336	1,872,650
2025	4,313,276	1,773,389
2026	3,463,193	1,737,250
2027-2031	19,467,802	5,995,840
2032-2035	14,640,000	1,409,400
	<u>\$ 53,777,539</u>	<u>\$ 16,920,157</u>

The City has previously issued debt associated with the Solid Waste Services function. These include certificates of participation that carry fixed interest rates of 4.00% to 5.00% (Solid Waste Transfer Station), limited obligation bonds that carry fixed coupon interest rates from 3.00% to 5.57% and a variable rate agreement that had an interest rate of 0.11% at June 30, 2021 (design and construction of remote operations center). A detail of these debt issues is as follows:

Installment Financing Agreements - Solid Waste Services	Date	Date	Amount of	Balance	Due Within
	Issued	Series Matures	Original Issue	Outstanding June 30, 2021	One Year Fiscal 2021-2022
Limited Obligation Bds 2016 - Refunded 2007 COPS	2/24/2016	02/01/2027	\$ 3,626,888	\$ 2,334,637	\$ 346,667
Limited Obligation Bds 2016A - Refunded 2009 LOBS	6/15/2016	06/01/2034	1,295,928	934,885	71,963
Limited Obligation Bds 2020A - Refunded 2010A LOBS	6/18/2020	06/01/2035	5,264,026	4,922,463	328,784
Total Installment Financing Agreements - Solid Waste Services				<u>\$ 8,191,985</u>	<u>\$ 747,414</u>

Annual maturities are as follows:

Fiscal Year Ending June 30	Business-type Activities	
	Principal	Interest
2022	\$ 747,414	\$ 385,564
2023	766,211	352,380
2024	786,479	314,789
2025	808,162	276,184
2026	832,267	236,495
2027-2031	2,560,296	686,605
2032-2035	1,691,156	161,547
	<u>\$ 8,191,985</u>	<u>\$ 2,413,564</u>

The City has previously issued certificates of participation and master installment financing agreements to fund separate internal service funds for the purchase of rolling stock equipment for governmental and business-type activities. The debt issues carry fixed interest rates ranging from 0.67% to 1.87%. Principal and interest requirements for these debt issues will be provided by appropriation in the year they become due. New financing was obtained in fiscal year 2020-21 to continue this effort. A detail of these debt issues is as follows:

Installment Financing Agreements - Internal Service Funds	Date	Date	Amount of	Balance	Due Within
	Issued	Series Matures	Original Issue	Outstanding June 30, 2021	One Year Fiscal 2021-2022
Equipment Acquisition Project, Series 2017	06/27/2017	6/30/2022	\$ 42,303,111	\$ 8,775,113	\$ 8,775,113
Equipment Acquisition Project, Series 2019	06/26/2019	6/30/2024	28,484,308	17,978,729	5,863,451
Equipment Acquisition Project, Series 2021	06/17/2021	6/30/2026	37,010,400	37,010,400	7,329,784
Total Installment Financing Agreements - Internal Service				<u>\$ 63,764,242</u>	<u>\$ 21,968,348</u>

Annual maturities are as follows:

Fiscal Year Ending June 30	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2022	\$ 12,454,111	\$ 388,930	\$ 9,514,237	\$ 185,300
2023	6,756,622	220,183	6,582,326	97,143
2024	6,858,709	118,096	6,660,146	86,631
2025	3,045,520	35,309	4,398,615	42,002
2026	3,065,956	15,175	4,428,000	42,002
	<u>\$ 32,180,918</u>	<u>\$ 777,693</u>	<u>\$ 31,583,324</u>	<u>\$ 453,078</u>

State Revolving Loans. During the current fiscal year, the City's Water and Sewer Utility enterprise received \$36,155,086 in proceeds from state revolving fund loans. These loans carry fixed interest rates of 0.00% to 2.66% and are payable over 20 years. Final amounts for these loans will be determined when the associated projects close. Repayment will begin six months after respective project completion.

The City has previously entered into state revolving loans to finance various water and sewer capital projects. These debt issues carry fixed interest rates as detailed below. Principal and interest requirements for these debt issues will be provided by appropriation in the year they become due.

The City pledges the revenues of the project or Combined Enterprise System as security for state revolving loans. In the event of a material default, the City may be required prepay the note in whole to the North Carolina Department of Environmental Quality.

The City's participation in the state revolving fund loan program is summarized below:

State Revolving Loans	Interest Rates	Date Issued	Date Series Matures	Amount of Original Issue	Balance Outstanding June 30, 2021	Due Within One Year Fiscal 2021-2022
Water and Sewer:						
Rolesville Projects	2.66%	11/14/2005	5/01/2025	\$ 3,000,000	\$ 600,000	\$ 150,000
Spray Irrigation	0.00%	9/01/2010	5/01/2030	625,694	253,221	28,135
Crabtree Creek North Bank	2.45%	7/05/2011	5/01/2033	11,094,556	5,826,587	485,549
Centennial Reuse Pipeline	0.00%	5/01/2012	5/01/2033	5,125,312	2,286,284	190,524
NRWWTP 15MGD Expansion	2.00%	4/18/2013	5/01/2037	27,638,450	22,110,761	1,381,922
DE Benton Backwash Waste	0.00%	5/18/2013	5/01/2034	7,075,847	4,773,039	367,157
Sodium Permanganate Facility	0.00%	3/26/2015	5/01/2036	3,678,800	2,252,000	178,938
Crabtree Creek Improvement	2.00%	7/13/2015	5/01/2037	37,500,000	20,722,454	1,875,000
Bioenergy Recovery	0.00%	10/3/2017	5/01/2043	50,000,000	46,883,596	-
Water and Sewer Total State Revolving Loans					<u>\$ 105,707,942</u>	<u>\$ 4,657,225</u>

Annual maturities for Water and Sewer Utility are as follows:

Fiscal Year Ending June 30	Business-type Activities	
	Principal	Interest
2022	\$ 4,657,225	\$ 976,729
2023	4,657,225	895,681
2024	5,290,995	814,632
2025	5,290,995	733,583
2026	5,140,995	652,535
2027-2031	33,001,447	2,106,793
2032-2036	27,467,152	589,041
2037-2041	17,050,772	27,638
2042-2043	3,151,136	-
	<u>\$ 105,707,942</u>	<u>\$ 6,796,632</u>

The City has previously entered into a state revolving loan program to fund lake and stream enhancements. The loan is to be repaid in annual payments over 20 years at 0.00% interest and is summarized below.

State Revolving Loans	Interest Rates	Date Issued	Date Series Matures	Amount of Original Issue	Balance Outstanding June 30, 2021	Due Within One Year Fiscal 2021-2022
Upper Longview Restoration	0.00%	1/16/2013	5/1/2034	\$ 2,034,751	\$ 1,322,589	\$ 101,738

Annual maturities for the Stormwater Utility are as follows:

Fiscal Year Ending June 30	Business-type Activities Principal
2022	\$ 101,738
2023	101,738
2024	101,738
2025	101,738
2026	101,738
2027-2031	508,687
2032-2034	305,212
	<u>\$ 1,322,589</u>

Earned Vacation Pay. At June 30, 2021, earned vacation pay consists of \$26,599,666 for governmental activities and \$6,645,794 for business-type activities.

Landfill Postclosure Care Costs. State and federal laws and regulations require the City to maintain a final cover over its Wilders Grove landfill site and to perform certain maintenance and monitoring functions at the site for thirty years after closure. The landfill was closed for waste disposal on December 31, 1997. During 2018-19 the third-party cost estimate was updated for both postclosure costs and the corrective action plan (CAP) costs associated with ground water violations at the landfill identified in 2007-08 and new proposed stream bank repairs. The \$5,180,503 reported as landfill postclosure liability as of June 30, 2021 includes the CAP report cost estimate as well as the cost to perform the on-going postclosure care. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

The City is required by state and federal laws and regulations to demonstrate financial assurance for postclosure care. The City is in compliance with these requirements, and, demonstrated such by completion of the local government financial assurance test submitted to NC Department of Environmental Quality – Solid Waste Section on November 24, 2020.

5. Changes in long-term liabilities

There were current year additions to general obligation bond anticipation notes of \$45.5 million and revenue bond anticipation notes of \$30.1 million, which consisted of bond anticipation notes for parks and transportation needs and water and sewer utility needs, respectively. There were also additions to installment financing agreements of \$15.1 million for governmental activities and \$21.9 million for business-type activities, which consists of financing for the City's rolling stock equipment that occurs every other year. Business-type activities also received \$36.2 million in proceeds from state revolving loans as previously stated.

Certain internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for these funds are included as part of the totals for governmental activities. At year end, \$451,195 of internal service funds earned vacation pay are included as part of governmental activities, as well as \$32,180,918 of installment financing agreements net of unamortized premiums.

Long-term liability governmental activity for the year ended June 30, 2021 was as follows:

	Balance			Balance	Due Within
<u>Governmental activities:</u>	<u>June 30, 2020</u>	<u>Additions</u>	<u>Reductions</u>	<u>June 30, 2021</u>	<u>One Year</u>
General obligation bonds	\$ 271,430,000	\$ -	\$ 24,535,000	\$ 246,895,000	\$ 24,800,000
Unamortized premiums - GO bonds	39,572,531	-	3,981,178	35,591,353	3,611,125
Bond anticipation notes - GO *	34,750,856	45,526,579	-	80,277,435	-
Installment financing agreements	242,099,560	15,142,848	26,039,275	231,203,133	29,010,348
Unamortized premiums on IFA	10,546,033	-	527,302	10,018,731	527,302
Earned vacation pay	26,102,511	15,477,539	14,980,384	26,599,666	14,980,384
Claims payable	21,882,217	8,178,854	5,279,598	25,118,523	9,606,350
<u>Subtotal before pension</u>	<u>646,383,708</u>	<u>84,325,820</u>	<u>75,342,737</u>	<u>655,703,841</u>	<u>82,535,509</u>
Net pension liability (LEOSSA)	51,515,552	21,653,119	3,930,330	69,238,341	-
Net pension liability (LGERs)	77,332,066	33,042,041	12,208,918	98,165,189	-
Net pension liability (OPEB)	139,007,100	6,667,008	7,368,936	138,305,172	-
<u>Subtotal pension</u>	<u>267,854,718</u>	<u>61,362,168</u>	<u>23,508,184</u>	<u>305,708,702</u>	<u>-</u>
<u>Total governmental activities</u>	<u>\$ 914,238,426</u>	<u>\$145,687,988</u>	<u>\$ 98,850,921</u>	<u>\$ 961,412,543</u>	<u>\$ 82,535,509</u>

* BANs were previously consolidated with other general obligation bonds

Long-term liability business-type activity for the year ended June 30, 2021 is on the next page.

	Balance			Balance	
	June 30, 2020	Additions	Reductions	June 30, 2021	Due Within One Year
<i>Business-type activities:</i>					
<i>Water and Sewer:</i>					
Revenue bonds	\$ 637,970,000	\$ -	\$ 30,905,000	\$ 607,065,000	\$ 32,530,000
Unamortized premium - Rev. bonds	35,196,089	-	2,362,134	32,833,955	2,943,015
Bond anticipation notes - Revenue	-	30,100,000	-	30,100,000	-
Installment financing agreements	74,210,082	36,155,086	4,657,225	105,707,943	4,657,225
Earned vacation pay	3,825,594	2,552,096	2,293,723	4,083,967	2,293,723
Net pension liability (LGERS)	16,433,582	6,945,743	2,566,428	20,812,897	-
Net pension liability (OPEB)	29,799,552	1,401,467	1,549,018	29,652,001	-
Subtotal Water and Sewer	797,434,899	77,154,392	44,333,528	830,255,763	42,423,963
<i>Convention Center Complex:</i>					
Installment financing agreements	207,498,995	-	10,530,734	196,968,261	10,945,734
Unamortized premiums - IFA	1,886,098	-	117,881	1,768,217	117,882
Earned vacation pay	700,373	381,143	534,895	546,621	534,895
Net pension liability (LGERS)	2,742,108	1,215,243	449,028	3,508,323	-
Net pension liability (OPEB)	4,834,394	245,204	271,019	4,808,579	-
Subtotal Convention Center Complex	217,661,968	1,841,590	11,903,557	207,600,001	11,598,511
<i>Transit:</i>					
Earned vacation pay	93,367	79,156	50,715	121,808	50,716
Net pension liability (LGERS)	598,933	324,763	119,999	803,697	-
Net pension liability (OPEB)	940,599	65,529	72,428	933,700	-
Subtotal Transit	1,632,899	469,448	243,142	1,859,205	50,716
<i>Stormwater:</i>					
Installment financing agreements	1,424,327	-	101,738	1,322,589	101,738
Earned vacation pay	666,681	456,641	401,422	721,900	401,422
Net pension liability (LGERS)	2,629,358	1,382,863	510,964	3,501,257	-
Net pension liability (OPEB)	5,034,026	279,025	308,401	5,004,650	-
Subtotal Stormwater	9,754,392	2,118,529	1,322,525	10,550,396	503,160
<i>Parking:</i>					
Installment financing agreements	57,438,921	-	3,661,382	53,777,539	3,810,614
Unamortized premiums - IFA	3,019,541	-	261,114	2,758,427	261,114
Earned vacation pay	183,448	121,998	127,009	178,437	127,009
Net pension liability (LGERS)	964,274	398,097	147,095	1,215,276	-
Net pension liability (OPEB)	1,774,946	80,325	88,782	1,766,489	-
Subtotal Parking	63,381,130	600,420	4,285,382	59,696,168	4,198,737
<i>Solid Waste Services:</i>					
Installment financing agreements	8,945,681	-	753,696	8,191,985	747,414
Unamortized premiums - IFA	1,696,476	-	125,276	1,571,200	125,276
Earned vacation pay	981,545	653,123	641,607	993,061	641,607
Landfill postclosure	4,083,982	1,096,521	-	5,180,503	1,619,552
Net pension liability (LGERS)	5,221,493	2,200,009	812,895	6,608,607	-
Net pension liability (OPEB)	9,510,243	443,904	490,640	9,463,507	-
Subtotal Solid Waste Services	30,439,420	4,393,557	2,824,114	32,008,863	3,133,849
<i>Internal Service Funds:</i>					
Installment financing agreements	14,796,663	21,867,552	5,080,891	31,583,324	9,514,237
Total business-type activities	\$ 1,135,101,371	\$ 108,445,488	\$ 69,993,139	\$ 1,173,553,720	\$ 71,423,173

6. Arbitrage

In accordance with Section 148 of the Internal Revenue Code of 1986, as amended, and Sections 1.103-13 to 1.103-15 of the related Treasury Regulations, the City must rebate to the federal government “arbitrage profits” earned on governmental bonds issued after August 31, 1986. Arbitrage profits are the excess of the amount earned on investments over the interest paid on the borrowings. At June 30, 2021, the City had no arbitrage liabilities.

7. Interest rate swaps

2005 Swap

The City entered into an interest rate swap agreement for the Downtown Municipal Improvement Projects Series 2005B variable rate certificates of participation effective January 20, 2005. The synthetic fixed rate swap effectively changes these variable rate demand obligations (VRDOs) to the fixed rate of 4.36%.

The certificates of participation and the related swap agreement mature on February 1, 2034. The swap notional amount of \$129,260,000 matches the variable rates certificates of participation. Beginning in February 2015, the notional value of the swap and the principal amount of the associated debt started to decline annually. Under the swap agreement, the City pays the counterparty a fixed interest payment semiannually at 4.36% of the notional amount and receives a variable interest payment equivalent to the Securities Industry and Financial Markets Association Municipal Swap Index (SIFMA). At June 30, 2021, the swap had a negative fair value to the City of \$27,972,077. This mark to market valuation was established by market quotations obtained by the counterparty, representing an estimate of the amount that would be paid for replacement transactions. As of June 30, 2021, the City was not exposed to credit risk because the swap had a negative fair value. However, should interest rates change and the fair value of the swap becomes positive, the City would be exposed to credit risk in the amount of the derivative’s positive fair value. At June 30, 2021, Citibank NA, the counterparty, was rated “Aa3” by Moody’s Investor’s Service, “A+” by Standard and Poor’s Ratings Services, and “A+” by Fitch Ratings. The derivative contract uses the International Swap Dealers Association Master Agreement, which includes standard termination events, such as failure to pay and bankruptcy. Termination could result in the City being required to make or being entitled to receive an unanticipated termination payment based on the market value on the date of termination. As rates vary, variable rate bond interest payments and net swap payments will vary. The principal and interest payments shown below are components of the business-type activities demand bond debt service requirements as reported on page 44.

Using rates as of June 30, 2021, debt service requirements of the variable rate debt and net swap payments, assuming current interest rates remain the same for the term of the 2005B variable rate certificates, were as follows:

Fiscal Year Ending June 30	Principal	Variable Rate Interest	Interest Rate Swaps, Net*	Total Interest
2022	\$ 10,095,000	\$ 38,778	\$ 5,596,958	\$ 5,635,736
2023-2027	58,010,000	145,542	21,006,562	21,152,104
2028-2032	50,995,000	53,204	7,679,039	7,732,243
2033-2034	10,160,000	4,606	664,871	669,477
Total	\$ 129,260,000	\$ 242,130	\$ 34,947,430	\$ 35,189,560

*Computed using 4.36% less floating rate paid to the City (0.03% at June 30, 2021) times \$188,425,000 less accumulated annual reductions.

2008 Swap

On February 9, 2006, the City entered into forward starting swap transactions with two financial institutions as related to \$150,000,000 of water and sewer revenue bonds to be issued in 2008. The City engaged the swap transactions effective June 18, 2008 in conjunction with the issue of variable rate revenue bonds. Under the swap agreements, the City pays the counterparties a fixed interest rate payment at 4.163% of the swap notional amount (\$150,000,000) and receives a variable interest rate payment equivalent to the SIFMA. At June 30, 2021, the swaps had a combined negative fair value to the City of \$24,890,940, which mitigates the City's exposure to credit risk. However, should interest rates change and the fair value of swaps become positive, the City would be exposed to credit risk in the amount of the derivatives' positive fair values. At June 30, 2021, Citibank NA, one of the counterparties, was rated "Aa3" by Moody's Investor's Service, "A+" by Standard and Poor's Ratings Services, and "A+" by Fitch Ratings. Wells Fargo Bank, N.A., the other counterparty, was rated "Aa2" by Moody's Investor's Service, "A+" by Standard and Poor's Ratings Services, and "AA-" by Fitch Ratings. The derivative contracts use the International Swap Dealers Association Master Agreement, which includes standard termination events, such as failure to pay and bankruptcy. Termination could result in the City being required to make or being entitled to receive an unanticipated termination payment based on the market value on the termination date. As rates vary, variable rate bond interest payments and net swap payments shown below are components of the business type activities revenue bond debt service requirements as reported on page 42.

Using the rates as of June 30, 2021, debt service requirements of the variable rate debt and net swap payments, assuming current interest rates remain the same for the term of the 2008 A and B variable rate bonds were as follows:

Fiscal Year Ending June 30	Principal	Variable Rate Interest	Interest Rate Swaps, Net*	Total Interest
2022	\$ 5,470,000	\$ 30,962	\$ 4,265,463	\$ 4,296,425
2023-2027	31,230,000	128,687	17,728,710	17,857,397
2028-2032	38,825,000	77,480	10,674,092	10,751,572
2033-2035	27,680,000	16,847	2,321,093	2,337,940
Total	\$ 103,205,000	\$ 253,976	\$ 34,989,358	\$ 35,243,334

**Computed using 4.163% less floating rate paid to the City (0.03% at June 30, 2021) times \$150,000,000 less accumulated annual reductions.*

G. Restricted assets

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

	<u>Deposits</u>	<u>Unspent Debt Proceeds</u>
<u>Governmental</u>		
General Fund	\$ 129,614	\$ 2,719,156
Nonmajor governmental funds	1,720,027	80,866,218
Total governmental	<u>1,849,641</u>	<u>83,585,374</u>
 <u>Enterprise</u>		
Water and sewer fund	15,001,460	305
Convention center fund	721,184	-
Mass transit fund	50,305	-
Stormwater fund	19,462,907	-
Parking Fund	-	68,920
Total enterprise	<u>35,235,856</u>	<u>69,225</u>
 <u>Internal service funds</u>		
Governmental equipment replacement fund	-	18,963,663
Public utilities equipment replacement fund	-	5,454,927
Solid waste services equipment replacement fund	-	12,426,770
Total internal service fund	<u>-</u>	<u>36,845,360</u>
Total	<u>\$ 37,085,497</u>	<u>\$ 120,499,959</u>

Note 4. Other Information

A. Risk management and employees' health benefits

The City is exposed to various risks related to tort claims; asset damages; total loss of property; errors and omissions; cyber issues; employee injuries; natural disasters; medical and dental claims for employees, retirees, and dependents, and other various risks.

The City protects itself from potential losses through a combination of self-insurance programs and the purchase of private commercial insurance coverage for various primary and excess coverage. The City experienced some significant changes to the insurance portfolio from the prior year. While most of the insurance products remained consistent with limits, along with minimal to moderate premium increases, the City of Raleigh experienced substantial cost increases to the cyber liability and general excess liability coverages.

City insurance coverages includes asset and property coverage, which includes property contents and fine arts; automobile and general liability excess coverage, which include law enforcement liability; workers' compensation excess; cyber liability and ransom coverage; professional liability coverage for the Employee Health Center; crime and employee theft; fiduciary liability; drone liability; and other various specific policies designed to cover City seasonal functions.

For asset and property coverage, the City carries coverage up to \$500,000,000 per occurrence, with a \$100,000 deductible for property damages, \$25,000 deductible for Fine Arts damages. Automobile and General Liability excess coverage carries a self-insured retention of \$1,000,000, with excess coverage of \$10,000,000 in the aggregate. The workers' compensation program self-insured the \$1,100,000 for non-police and fire employees and \$1,500,000 for police and fire employees, with an excess policy of \$25,000,000 per occurrence, as well as employers' liability coverage of \$1,000,000 per occurrence and in the aggregate. Cyber security and liability has limits of \$10,000,000, and covers liability loss and ransom demand events.

Other various insurance coverages include crime and employee theft coverage of \$2,000,000 per occurrence and a \$25,000 deductible. This crime policy endorses Wake and Durham County tax collectors for their collection of taxes on behalf of the City. Fiduciary liability coverage of \$5,000,000 with a retention of \$25,000. Professional Liability coverage for the City's Employee Health Center of \$1,000,000 per occurrence and \$3,000,000 aggregate with a \$2,500 deductible. Drone Liability coverage provides \$1,000,000 in liability coverage per occurrence.

In accordance with NC General Statute 159-29, the City maintains a Public Official Bond on the Chief Financial Officer (CFO) in the amount of \$500,000.

The City provides medical and dental coverage for employees and retirees. Additional premium-based dependent coverage is available at employee expense.

The City, as allowed by GASB Statement No. 10 "Accounting and Financial Reporting for Risk Financing and Related Insurance Issues", uses internal service funds, the risk management fund and the employees' health benefits fund, to account for its risk financing activities. The claims liability total of \$25,118,523 reported for these two internal service funds as of June 30, 2021, is based upon the requirements of Statement 10, which require that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Claims liabilities reported include an estimate for claims incurred but not reported.

The changes in reported claims liabilities in fiscal years 2020-21 and 2019-20 are as follows:

	2021	2020
Insurance claims payable, beginning of year	\$ 21,882,217	\$ 21,834,925
Current year claims and changes in estimates	53,312,952	48,335,276
Claim payments	(50,076,646)	(48,287,984)
Insurance claims payable, end of year	<u>\$ 25,118,523</u>	<u>\$ 21,882,217</u>

Employees' health benefits and risk management current portion of pending claims is \$9,606,350.

B. Commitments and contingent liabilities

Commitment - Enterprise Funds. In February 1972, the City entered into a raw water storage contract and joint use construction costs with the U. S. Corps of Engineers for raw water usage of up to 100 million gallons per day from Falls Lake. The City's estimated share of construction cost for the project was estimated at \$14,078,083 payable annually over 50 years beginning in 1984. The contract requires that the City pay certain capital and operating costs of the lake which are dependent upon future costs of operation. The City's fiscal year 2020-21 obligation was \$945,078. It is estimated, at this time, that the future cost to the City will not exceed \$1,000,000 annually and will be repaid in 2033 with a final payment of \$3,726,122.

On January 24, 2019, the Assistant Secretary for the Army for Civil Works signed a sales contract for the reallocation of an additional 17,300 acre-feet of storage in Falls Lake that equates to approximately 23.3 million gallons per day of reliable yield to the City. The City's cost for this additional water supply is \$24,062,768, along with an increased share of certain capital and operating costs of the lake. The City's fiscal year 2020-21 obligation for the reallocation was \$1,300,647. It is estimated, at this time, that the future cost to the City will not exceed \$1,400,000 annually and will be repaid in 2048.

Contingent Liabilities. Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally by the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the City's counsel the resolution of these matters will not have a material adverse effect on the financial condition of the City.

Contingent Liabilities – Facility Fees. The City enters into Thoroughfare Facility Fee Reimbursement contracts that provide developers with contract awards based on the calculated value of the capital contributions to the City. Each contract states minimum amounts that must be paid and recorded as long-term liabilities in the City's entity-wide financial statements. The remaining liability amounts for each contract are paid based on a formula and are contingent on available funds in the facility fee reimbursement account. The total value of the contracts at June 30, 2021 was \$5,066,308. The full amount was recorded as a liability, and there is no contingent liability related to facility fees.

Contingent Liabilities – Asset Retirement Obligations. Annually, the City will conclude if internal events or external obligating events warrant a legally enforceable liability associated with retirement, disposal, or environmental remediation for any of our facilities and capital assets. The City does not deem that a legally enforceable liability associated with tangible assets has been incurred or is reasonably estimable under the guidance of GASB 83 "Certain Asset Retirement Obligations". Furthermore, the City is not aware of external obligating events such as laws and regulations, contracts, or court judgments that require reporting or would be material for disclosure.

C. Jointly governed organizations

Raleigh-Durham Airport Authority. The Raleigh-Durham Airport Authority plans and conducts operations of the Raleigh-Durham International Airport. This eight-member governing body is jointly appointed by the City of Durham, City of Raleigh, County of Durham and County of Wake, with each member government appointing two members. The authority selects the management and sets the budget and financing requirements of the airport. Each member government contributes \$12,500 annually for administration of the authority. Neither the City nor the other member governments exercise management control or are responsible for budget and financing requirements for the authority. A special airport tax district of Durham and Wake Counties was created to aid in the financing of major airport facilities and is governed by two members each from the respective county boards of commissioners. Because of its limited role in the Raleigh-Durham Airport Authority and the related special tax district, the City does not consider its participation to be a joint venture and, accordingly, further disclosure of the airport entity is not included. The authority does not meet the criteria to be included in the City's financial reporting entity.

Triangle J Council of Governments. The City is a member of the Triangle J Council of Governments, which serves a seven-county region and forty-two local governments. The participating member governments established the council to coordinate various regional interests and intergovernmental funding. Each participating government appoints one delegate to the council's governing board. The City paid dues of \$130,390 to the council during the fiscal year ended June 30, 2021. The council does not meet the criteria to be included in the City's financial reporting entity.

Related organizations

The Raleigh Housing Authority. The Raleigh Housing Authority assists in providing housing for low income, elderly and disabled residents of the City. The mayor appoints all members of the authority's governing body, but the authority is not otherwise financially accountable to the City. The City has no responsibility in selecting the management of the authority. The primary revenue sources for the authority are federal grants and program revenues. Financial transactions between the City and the authority reflect contractual agreements between the parties for the provision of specific services by the authority for the City.

The City is not responsible for financing any deficits of the authority nor is it entitled to any surplus. In addition, the City does not guarantee any debt of the authority and such debt is not included in determining the City's statutory debt limit.

The Raleigh Historic Districts Commission, Inc. The Raleigh Historic Districts Commission, Inc. was formed in 1993 to exercise jurisdiction for all historic properties and historic overlay districts within Raleigh's city limits and extraterritorial jurisdiction. The commission consists of 12 members appointed by the city council. The City's accountability for the commission does not extend beyond making appointments to the commission. Revenues to support the commission come from private contributions and grants from local and state governments. In the fiscal year ended June 30, 2021 the City paid \$31,956 to the commission. The not-for-profit organization does not meet the criteria to be included in the City's financial reporting entity.

The Raleigh Parking Deck Associates, Inc. A for-profit corporation established to finance and construct a parking deck is reflected in substance through a capital lease with the City. The corporation does not meet the criteria to be included in the City's financial reporting entity.

Interlocal agreement with Wake County

Pursuant to enabling legislation in 1991, the City of Raleigh and Wake County entered into an interlocal agreement to provide for the funding of various projects and facilities from the proceeds to be realized from the levy of a county-wide room occupancy tax and a prepared food and beverage tax. The proceeds and distributions of the taxes are accounted for in a special revenue fund maintained by the County. The City, by terms of the enabling legislation, is granted specific allocations of the taxes, but has entered into the interlocal agreement requiring joint action of the City and County governing bodies to expend both the City and County allocations.

At June 30, 2021 the balance of the trust maintained by the County was \$5,864,560, which is not available to the City except for current and future projects jointly determined by the City and the County. During fiscal year 2020-21, the City received funding as follows: an annual \$1,000,000 that the City Council dedicated for continuing support of the performing arts and convention center complex; an annual \$680,000 to fund visitor-related programs and activities and \$19,022,899 to support the financing of the convention center facility. The City will continue to receive \$1,000,000 allocations that the City Council may use for any eligible purpose in the original state legislation. In addition, the City will annually receive 85% of all uncommitted interlocal tax funds for debt service and other costs related to the convention center facility.

A tri-party agreement exists between the City of Raleigh, Wake County and the Centennial Authority, a public body created by the State of North Carolina to construct and govern operations of a multi-purpose regional sports and entertainment complex, which opened in October 1999. Through the interlocal and tri-party agreements, part of the funding for this construction has been provided by the trust. Future receipts from the taxes are committed by the authority for operating support and repayment of the authority's debt.

Interlocal agreement with Transit Planning Advisory Committee (TPAC)

The City is an active member of the Transit Planning Advisory Committee (TPAC). The committee comprises members of representatives from agencies and local governments within jurisdiction in Wake County and are charged to coordinate planning and implementation aspects of the Wake County Transit Plan. TPAC was created upon adoption of the Wake County Transit Plan and an associated Interlocal Governance Agreement (ILA) by the NC Capital Areas Metropolitan Planning Organization (CAMPO) Executive Board, the GoTriangle Board of Trustees, and the Wake County Board of Commissioners. Under the ILA, CAMPO and GoTriangle are responsible for ongoing technical and financial decisions related to plan implementation. The City was reimbursed \$21,023,683 in interlocal funding from GoTriangle for fiscal year 2021 transit operating services and capital project deliverables the City accomplished as part of the Wake County Transit Plan.

Joint venture

The Greater Raleigh Convention and Visitors Bureau. The Greater Raleigh Convention and Visitors Bureau promotes and solicits business, conventions, meeting and tourism in Wake County. The bureau receives its primary revenue from a county-wide 6.00% occupancy tax and is a joint venture of the City of Raleigh and Wake County. The governing body of the bureau is a board of directors appointed by the Raleigh City Council and the Wake County Commissioners. The County is required to distribute monthly a percentage of the tax collected with a minimum aggregate annual distribution of \$1,000,000. If tax revenues are not sufficient to fully fund the bureau's minimum annual distributions, the City and County must fund the deficiency equally to ensure that the bureau receives its minimum distribution of \$1,000,000 in any fiscal year. There was no additional funding required of the City or County in the year ended June 30, 2021. Except for an investment in capital assets previously recorded by the City, the only equity in the fund at year-end is for encumbrances which will be expensed in the subsequent year. Based on this, no additional equity interest in the bureau is recorded at June 30, 2021. Full financial statements can be obtained from the Greater Raleigh Convention and Visitors Bureau. Contact information is at <https://www.raleighchamber.org>. The bureau does not meet the criteria to be included in the City's financial reporting entity.

D. Employee retirement systems and pension plans

North Carolina Local Government Employees' Retirement System

Plan Description. The City of Raleigh is a participating employer in the statewide Local Government Employees' Retirement System (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 (LEOs) 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, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Local Government Employees' Retirement System is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for LGERS. Contact information and the full financial report may be obtained 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 post-retirement benefit increases. Increases are contingent upon actuarial gains of the plan.

LGERS plan members who are LEOs are eligible to retire with full retirement benefits at age 55 with five years of creditable service as an officer, or at any age with 30 years of creditable service. LEO plan members are eligible to retire with partial retirement benefits at age 50 with 15 years of creditable service as an officer. Survivor benefits are available to eligible beneficiaries of LEO members who die while in active service or within 180 days of their last day of service and who also have either completed 20 years of creditable service regardless of age, or have completed 15 years of service as a LEO and have reached age 50, or have completed five years of creditable service as a LEO and have reached age 55, or have completed 15 years of creditable service as a LEO if killed in the line of duty. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions.

Contributions. Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. City of Raleigh employees are required to contribute 6.00% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The City of Raleigh's contractually required contribution rate for the year ended June 30, 2021, was 9.70% of compensation for law enforcement officers and 8.95% for general employees and firefighters, 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 City of Raleigh were \$26,995,729 for the year ended June 30, 2021.

Refunds of Contributions. City 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 4.00% 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 of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2021, the City reported a liability of \$134,615,246 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019. The total pension liability was then rolled forward to the measurement date of June 30, 2020 utilizing update procedures incorporating the actuarial assumptions. The City's proportion of the net pension liability was based on a projection of the City'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, 2020, the City's proportion was 3.77%, which was an decrease of 0.11% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the City recognized pension expense of \$45,508,759. At June 30, 2021, the City 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
Differences between expected and actual experience	\$ 16,999,543	\$ -
Changes in assumptions	10,018,015	-
Net difference between projected and actual earnings on pension plan investments	18,943,490	-
Changes in proportion and differences between City contributions and proportionate share of contributions	325,015	2,255,886
City contributions subsequent to the measurement date	26,995,729	-
Total	<u>\$ 73,281,792</u>	<u>\$ 2,255,886</u>

* Note: The Government-Wide Statement of Net Position on pg. 1 illustrates the final LGERS activity as reflected above. There are fluctuations in deferred outflows of resources and deferred inflows of resources year to year. Based on how the City allocates the change in this activity at a fund level, adjustments were made to the Proprietary Funds Statement of Net Position for presentation purposes to adjust for the accounting nature of ending balances at the fund level. Adjustments at the fund level between the two classifications were deemed immaterial.

City contributions subsequent to the measurement date of \$26,995,729 reported as deferred outflows of resources related to pensions will be recognized as an increase of the net pension asset in the year ended June 30, 2022.

Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending June 30	<u>Pension deferrals</u>
2022	\$ 12,240,506
2023	16,734,373
2024	9,448,996
2025	5,606,303
2026	-
Thereafter	-
	<u>\$ 44,030,178</u>

Actuarial Assumptions. The total pension liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

<u>Assumption Type</u>	<u>Parameter</u>
Inflation	3.00 percent
Salary increases	3.50 to 8.10 percent, including inflation and
Investment rate of return	7.00 percent, 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, 2019 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

Future ad hoc COLA amounts are not considered to be substantively automatic and are therefore not included in the measurement.

The projected long-term investment return 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.

The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2020 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed Income	29.00%	1.4%
Global equity	42.00%	5.3%
Real estate	8.00%	4.3%
Alternatives	8.00%	8.9%
Credit	7.00%	6.0%
Inflation protection	6.00%	4.0%
	100.0%	

The information above is based on 30-year expectations developed with the consulting actuary for the 2019 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 3.00%. All rates of return and inflation are annualized.

Discount Rate. The discount rate used to measure the total pension liability was 7.00%. 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 City’s Proportionate Share of the Net Pension Asset to Changes in the Discount Rate. The following presents the City’s proportionate share of the net pension asset calculated using the discount rate of 7.00%, as well as what the City’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 (6.00%) or one-percentage-point higher (8.00%) than the current rate:

	1 % Decrease (6.00%)	Discount Rate (7.00%)	1 % Increase (8.00%)
City’s proportionate share of the net pension liability	\$ 273,119,666	\$ 134,615,246	\$ 19,508,332

Pension Plan Fiduciary Net Position. Detailed information about the pension plan’s fiduciary net position is available in the separately issued Comprehensive Annual Financial Report (CAFR) for the State of North Carolina.

Law Enforcement Supplemental Plans

Supplemental Retirement Income Plan for Law Enforcement Officers

Plan Description. The City contributes to the Supplemental Retirement Income Plan (Plan), a section 401(k) defined contribution pension plan administered by the Department of State Treasurer and a board of trustees. The plan provides retirement benefits to law enforcement officers employed by the City. Article 5 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly.

Funding Policy. Article 12E of G.S. Chapter 143 requires the City to contribute each month an amount equal to five percent of each officers’ salary, and all amounts collected are vested immediately. Also, law enforcement officers may make voluntary contributions to the plan. Contributions for the year ended June 30, 2021 were \$5,342,118, which consisted of \$2,695,847 from the City and \$2,646,271 from the law enforcement officers.

Law Enforcement Officers’ Special Separation Allowance

Plan Description. The City administers a public employee retirement system (the “separation allowance”); a single-employer defined benefit pension plan that provides retirement benefits to the City’s qualified sworn law enforcement officers under the age of 62 who have completed at least 30 years of creditable service or have attained 55 years of age and have completed 5 or more years of creditable service immediately prior to retirement. The separation allowance is equal to 0.85 percent of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service. The retirement benefits are not subject to any increases in salary or retirement allowances that may be authorized by the General Assembly. Article 12D of G.S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly.

All full-time City law enforcement officers are covered by the separation allowance. As of December 31, 2019, the separation allowance’s membership consisted of:

Retirees currently receiving benefits	159
Active plan members	<u>712</u>
Total membership	<u><u>871</u></u>

Summary of significant accounting policies:

Basis of Accounting. The City has chosen to fund the Separation Allowance based on the annual required contribution (ARC) provided by the City’s actuary. Pension expenditures are made in a separate fund which is combined with the General Fund for reporting purposes and maintained on the modified accrual basis of accounting. Benefits are recognized when due and payable in accordance with the terms of the plan.

The Separation Allowance has no assets accumulated in a trust that meets the following criteria which are outlined in GASB Statement 73: contributions to the pension plan and earnings on those contributions are irrevocable, pension plan assets are dedicated to providing benefits to plan members, pension plan assets are legally protected from the creditors or employers.

Actuarial Assumptions. The entry age actuarial cost method was used in the December 31, 2019 valuation. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Assumption Type	Parameter
Inflation	2.50%
Salary increases, including wage inflation and productivity factor	3.25% - 7.75%
Discount Rate	1.93%

The discount rate is based on the yield of the S&P Municipal Bond 20 Year High Grade Rate Index as of December 31, 2020. Mortality rates were based on PUB-2010 mortality tables, with adjustments for the LGERS actuarial experience study for the period January 1, 2015 through December 31, 2019, adopted by the LGERS Board.

Contributions. The City is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the amounts necessary to cover the benefits earned by making contributions based on actuarial valuations. For the current year, the City contributed \$4,669,354 or 8.74% of annual covered payroll. There were no contributions made by employees. The City's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. Administrative costs of the Separation Allowance plan are financed through investment earnings. The City paid \$4,146,502 as benefits came due for the reporting period.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2021, the City reported a total pension liability of \$69,238,341. The total pension liability was measured as of December 31, 2020 based on a December 31, 2019 actuarial valuation. The total pension liability was rolled forward to December 31, 2020 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2021, the City recognized pension expense of \$8,426,198.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 6,073,708	\$ -
Changes of assumptions	15,439,154	895,023
Benefit payments and administrative expenses subsequent to the measurement date	2,474,040	-
Total	\$ 23,986,902	\$ 895,023

The \$2,474,040 reported as deferred outflows of resources related to pensions resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total pension liability in the year ended June 30, 2022.

Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year	
Ending June 30	Pension deferrals
2022	\$ 5,222,477
2023	5,036,735
2024	4,367,201
2025	3,645,319
2026	2,346,107
Thereafter	-
	\$ 20,617,839

Sensitivity of the County's Total Pension Liability to Changes in the Discount Rate. The following presents the City's total pension liability calculated using the discount rate of 1.93 %, as well as what the City's total pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (0.93 %) or one-percentage-point higher (2.93 %) than the current rate:

	1% Decrease	Discount Rate	1% Increase
	0.93%	1.93%	2.93%
Total Pension Liability	\$ 74,707,593	\$ 69,238,341	\$ 64,191,124

Schedule of Changes in Total Pension Liability
Law Enforcement Officers' Special Separation Allowance

Schedule of Changes in Total Pension Liability	
Law Enforcement Officers' Special Separation Allowance	
Beginning Balance	\$ 51,515,552
Service Cost	1,622,424
Interest on the total pension liability	1,615,343
Difference between expected and actual experience	1,605,202
Change in assumptions and other inputs	16,810,150
Benefit payments	(3,930,330)
Ending balance of pension liability	\$ 69,238,341

The plan currently uses mortality tables that vary by age, 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 experience and assumption changes are recognized over the average expected remaining service life of the plan membership at the beginning of the measurement period.

Other Post-Employment Benefits (OPEB) Plan

Plan Description:

Plan Administration. The City administers a single employer defined benefit pension plan under the City of Raleigh, North Carolina OPEB Trust (“OPEB Benefit Plan”), that provides health insurance, life insurance, and Medicare supplement benefits to eligible retirees. Employees who meet any of the retirement options available through NCLGERS and retire with 15 or more years of service may continue in the City’s group health plan until age 65 when employee becomes eligible for Medicare. Medicare eligible retirees receive a Medicare supplement of \$100 per month. Dependent health coverage is available until age 65 when spouse becomes eligible for Medicare. The City Council may amend the benefit provisions at any time. A separate stand-alone report for the OPEB Benefit Plan is not issued.

Plan Membership. All active full-time employees are eligible for membership. At June 30, 2020 (valuation date), the OPEB Benefit Plan membership consisted of:

OPEB Plan Membership	
Inactive plan members or beneficiaries currently receiving benefit payments	2,083
Inactive plan members entitled to by not yet receiving benefit payments	-
Active plan members	<u>3,946</u>
Total membership	<u><u>6,029</u></u>

Benefits Provided. The City maintains two health care coverage options – Plan A and Plan B – that offer different levels of Plan premiums, copays, and deductibles so employees and retirees may elect the enrollment option best for their needs.

The City’s group medical coverage continues with the option of limited or zero cost to the retiree, depending on coverage plan selected, until age 65 for retirees that were hired prior to June 30, 2008.

Retirees that were hired on or after June 30, 2008 will pay a maximum of 50.00% of the premium cost if they retired with 15 years of service until age 65. The percentage of premium contribution covered by the retiree decreases 5.00% for each additional year of service at retirement, with retirees that have 25 years of service at retirement able to continue coverage at limited or no cost.

Employees that retire under disability retirement conditions and have 5 years of service with the City at the time of retirement are eligible to continue coverage in the City’s health care plan until age 65. Disability retirees pay limited or zero cost, depending on coverage plan selected, regardless of the date of hire of that retiree.

For employees hired before July 1, 2007, spouse / dependent coverage for retirees is provided at the retiree rate. Employees hired on or after July 1, 2007 pay the full cost for spouse / dependent coverage.

The City provides employees retiring under early or normal retirement conditions with life insurance coverage in the amount of \$1,750 for the first 5 years after retirement. The life insurance coverage reduces to \$1,000 after 5 years but is paid for the lifetime of the retiree. The City provides employees retiring under disability retirement with life insurance coverage equal to their salary if they have at least 5 years of service with the City at the time of retirement. Disability retirees with 5- 10 years of service age out of life insurance coverage at age 65. For disability retirees with 10 years of service or more, life insurance coverage reduces to \$1,750 at age 65 and further reduces to \$1,000 at age 70 but remains for the lifetime of the retiree.

Contributions. The City pays the full cost or almost full cost of coverage, depending on coverage plan selected, for health care and life insurance benefits, and a \$100 monthly Medicare supplement for eligible retirees. The City has chosen to fund the plan benefits based on an actuarially determined annual recommended contribution. The actuarial funding calculation applies the Projected Unit Credit cost method and Level Percent of Pay amortization method. A funding recommendation is made to City Council, who evaluates this figure amongst other funding needs throughout the City when adopting the City's annual budget. For the current year the City contributed \$19,662,858 or 8.06% of the annual covered payroll. Contributions made by retirees for dependent coverage and Medicare supplement premiums were \$3,077,050. The OPEB Benefit Plan is accounted for as a trust fund.

Basis of Accounting. Financial statements for the OPEB Benefit Plan are prepared using the accrual basis of accounting. Employer contributions are recognized when due and when the City has made a formal commitment to provide contributions. Benefits are recognized when due and payable in accordance with the plan terms.

Investments:

Investment Policy. The OPEB Benefit Plan's investment policy in regard to the allocation of invested assets is established and may be amended by the City's Treasury Office as given legal rights by City Council. The primary emphasis of the policy is on moderate capital growth with some focus on income, and pursuing an investment strategy that reduces risk through prudent diversification of the portfolio across a broad selection of distinct asset classes. The investment policy aims to refrain from dramatically shifting asset class allocations over short time spans. The portfolio is rebalanced, at a minimum, on a quarterly basis.

The following was the asset target ranges for each major asset class and other investment restrictions as of June 30, 2021 under the OPEB Benefit Plan's investment policy:

<u>Asset Class</u>	<u>Target Allocation</u>
Fixed Income (Bonds)	30.00%
Equity Index Fund (Stocks)	65.00%
Short Term Investments (Cash Equiv)	5.00%
	<u>100.00%</u>
Long-term expected real rate of return	7.00%

Rate of Return. For the year ended June 30, 2021, the annual money weighted rate of return on investments, net of investment expense was 7.00%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net OPEB Liability of the City:

The components of the net OPEB liability of the City at June 30, 2021 were as follows:

Total OPEB liability	\$ 260,364,370
Plan fiduciary net position	70,430,272
Net OPEB liability	<u>\$ 189,934,098</u>
Plan fiduciary net position as a percentage of the total OPEB liability	27.05%

Actuarial Assumptions. The total OPEB liability was determined by an actuarial valuation as of June 30, 2020 using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary increases, including inflation and productivity factors	
General employees	3.25% - 8.41%
Firefighters	3.25% - 8.15%
Law enforcement officers	3.25% - 7.90%
Long-term investment rate of return, net of OPEB plan investment expense, including inflation	7.00%
Healthcare cost trend rates*	7.00% for 2020
*decreasing to an ultimate rate of 4.50% by 2026	

Mortality rates were based on the Pub-2010 General-Retirees base mortality rates as projected from 2010 using generational mortality improvement with scale MP-2019. Rates for males are set forward 2 years and use 96% of rates under age 81 then blended to 100% at age 85 and beyond. Rates for females are 100% of rates under age 92 then blended to 110% at age 94 and beyond. For law enforcement officers, rates for males and females are set forward 1 year, and use 97% of rates for all ages.

The demographic actuarial assumptions for retirement, disability incidence, withdrawal, and salary increases used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period January 1, 2015 – December 31, 2019, adopted by the LGERS Board. The remaining actuarial assumptions were based upon a review of recent plan experience and performed concurrently with the June 30, 2020 valuation.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the major target asset allocation percentage and by adding expected inflation. The Plan Actuary reviewed all information provided for the OPEB investment portfolio and agreed that the long-term expected rate of return of 7.00% is reasonable.

Discount Rate (SEIR). The discount rate used to measure the total OPEB liability at June 30, 2021 was 7.00%. The projection of cash flows used to determine the discount rate was performed in accordance with GASB 74. The projection’s basis was an actuarial valuation performed as of June 30, 2020. In addition to the actuarial methods and assumptions of the June 30, 2020 valuation, the following actuarial methods and assumptions were used in the projection of cash flows:

- Total payroll for the initial projection year consists of the payroll of the active membership present on the valuation date. In subsequent projection years, total payroll was assumed to increase annually at a rate of 3.25%
- Active employees do not explicitly contribute to the Plan
- In all years, the employer is assumed to contribute the full Actuarially Determined Contributions (ADC) to the Trust fund.
- Projected assets do not include employer contributions that fund the estimated services costs of future employees
- Cash flows occur mid-year

Based on these assumptions, the Plan’s fiduciary net position was projected to not be depleted.

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate. The following presents the net OPEB liability of the City at June 30, 2021, as well as what the City’s net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current discount rate:

	1% Decrease 6.00%	Discount Rate 7.00%	1% Increase 8.00%
Net OPEB Liability	<u>\$ 213,938,914</u>	<u>\$ 189,934,098</u>	<u>\$ 168,715,192</u>

Sensitivity of the Net OPEB Liability to Changes in Healthcare Cost Trend Rates. The following presents the net OPEB liability of the City at June 30, 2021, as well as what the City’s net OPEB liability would be if it were to calculate healthcare cost trend rates that are one-percentage-point lower (6.00%) or one-percentage-point higher (8.00%) than the current healthcare cost trend rate:

	1% Decrease 6.00%	Trend Rate 7.00%	1% Increase 8.00%
Net OPEB Liability	<u>\$ 166,901,802</u>	<u>\$ 189,934,098</u>	<u>\$ 216,536,466</u>

Changes in Net OPEB Liability, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB. At June 30, 2021, the City reported a net OPEB liability of \$189,934,098. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2020. The total pension liability was then rolled forward to the measurement date of June 30, 2021 utilizing updated procedures incorporating the actuarial assumptions.

At June 30, 2021, the components of the City's net OPEB liability were as follows:

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
	(a)	(b)	(a) - (b)
Balances at June 30, 2020	\$ 242,388,924	\$ 51,488,064	\$ 190,900,860
Changes for the year:			
Service cost	6,359,717	-	6,359,717
Interest	16,431,054	-	16,431,054
Change in benefit terms	-	-	-
Differences between:			
Expected and actual experience	8,106,917	-	8,106,917
Changes of assumptions	2,660,475	-	2,660,475
Contributions - employer	-	19,662,858	(19,662,858)
Net investment income	-	14,926,938	(14,926,938)
Benefit payments	(15,582,717)	(15,582,717)	-
Plan administrative expenses	-	(64,871)	64,871
Net changes	17,975,446	18,942,208	(966,762)
Balances at June 30, 2021	\$ 260,364,370	\$ 70,430,272	\$ 189,934,098

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members at that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. In the June 30, 2020 actuarial valuation, the actuarial assumptions included a 7.00% investment rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on plan assets and on the employer's own investments calculated based on the funded level of the plan at the valuation date. The rate included an inflation assumption at 2.50%, which was consistent to prior year. The discount (SEIR) rate remained at 7.00%; however, the Municipal Bond Index Rate decreased from 2.21% on the prior measurement to 2.16% respectively at June 30, 2021. Medical claims cost and rates were changed based on most recent experience and change to the current schedule. The health care cost trends decreased to 7.00% for 2020 decreasing to an ultimate rate of 4.50% by 2026.

Other required supplementary information is included in the required supplementary financial data.

For the year ended June 30, 2021, the City recognized OPEB expense of \$9,182,461. At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between:		
Expected and actual experience	\$ 9,482,336	\$ 10,450,574
Changes of assumptions	8,234,331	30,653,454
Difference between projected and actual earnings on plan investments, net	-	8,808,690
Total	<u>\$ 17,716,667</u>	<u>\$ 49,912,718</u>

There were no City contributions subsequent to the measurement date for consideration.

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

Year ended June 30:	
2022	\$ (9,930,858)
2023	(9,867,751)
2024	(9,912,103)
2025	(5,133,575)
2026	2,168,162
Thereafter	<u>480,074</u>
	<u>\$ (32,196,051)</u>

Supplemental Retirement Plan – Section 401a

Plan Description. The City contributes to a Section 401a Money Purchase Pension Plan for the purpose of providing supplemental retirement benefits to general employees. This plan is a defined contribution plan and is reported as a pension trust fund. The plan is administered by the City and Branch Banking and Trust Company (now Truist) for the first and second quarters of Fiscal Year 2021 and Ascensus Trust for the third and fourth quarters of Fiscal Year 2021 were the trustee and record keeper with investment options being exercised by employees.

Funding Policy. For each eligible employee who contributes a minimum of 1.50% of salary to a Section 457 Supplemental Retirement Plan, the City contributes double this percentage (to a maximum of 3.00%) into the 401a plan. During fiscal year 2020-21, the City contributed \$4,905,211 to the plan.

The 2020-21 combining financial statements for the City's pension trust funds are as follows:

COMBINING STATEMENT OF PLAN NET POSITION

	Supplemental Money Purchase Pension Plan	Other Post Employment Benefits Trust	Total
ASSETS			
Cash and cash equivalents	\$ 94,104,886	\$ 70,639,906	\$ 164,744,792
Due from other funds	-	168,455	168,455
Other assets	-	391,015	391,015
Total assets	<u>94,104,886</u>	<u>71,199,376</u>	<u>165,304,262</u>
LIABILITIES			
Claims payable	-	750,000	750,000
Accounts payable	-	19,104	19,104
Total liabilities	<u>-</u>	<u>769,104</u>	<u>769,104</u>
NET POSITION			
Restricted for pensions	94,104,886	-	94,104,886
Restricted for postemployment benefits other than pensions	-	70,430,272	70,430,272
Total net position	<u>\$ 94,104,886</u>	<u>\$ 70,430,272</u>	<u>\$ 164,535,158</u>

COMBINING STATEMENT OF CHANGES IN PLAN NET POSITION

	Supplemental Money Purchase Pension Plan	Other Post Employment Benefits Trust	Total
ADDITIONS			
Employer contributions	\$ 4,905,211	\$ 19,662,858	\$ 24,568,069
Retiree contributions	-	3,077,050	3,077,050
Interest	3,007,165	8,816,343	11,823,508
Net increase (decrease) in the fair value of investments	18,446,136	6,110,595	24,556,731
Recovery of claims	-	440,644	440,644
Total additions	<u>26,358,512</u>	<u>38,107,490</u>	<u>64,466,002</u>
DEDUCTIONS			
Benefits	4,910,200	19,100,411	24,010,611
Withdrawals and forfeitures	420,567	-	420,567
Investment expense	78,445	-	78,445
Professional services	-	64,871	64,871
Total deductions	<u>5,409,212</u>	<u>19,165,282</u>	<u>24,574,494</u>
Change in net position restricted for employees' retirement and other post-employment benefits	20,949,300	18,942,208	39,891,508
Net position, beginning of year	<u>73,155,586</u>	<u>51,488,064</u>	<u>124,643,650</u>
Net position, end of year	<u>\$ 94,104,886</u>	<u>\$ 70,430,272</u>	<u>\$ 164,535,158</u>

At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>LGERS</u>	<u>LEOSSA</u>	<u>OPEB</u>	<u>Total</u>
Pension Expense	\$ 45,508,759	\$ 8,426,198	\$ 9,182,461	\$ 63,117,418
Pension Liability	134,615,246	69,238,341	189,934,098	393,787,685
Portionate share of the net pension liability	3.76712%	N/A	N/A	
<u>Deferred Outflows of Resources</u>				
Differences between expected and actual experience	\$ 16,999,543	\$ 6,073,708	\$ 9,482,336	\$ 32,555,587
Changes of assumptions	10,018,015	15,439,154	8,234,331	33,691,500
Difference between projected and actual earnings on pension plan investments	18,943,490	-	-	18,943,490
Changes in proportion and differences between City contributions and proportionate share of contributions	325,015	-	-	325,015
City contributions (LGERS)/benefit payments and administration costs (LEOSSA, OPEB) subsequent to the measurement date	26,995,729	2,474,040	-	29,469,769
<u>Deferred Inflows of Resources</u>				
Differences between expected and actual experience	\$ -	\$ -	\$ 10,450,574	\$ 10,450,574
Changes of assumptions	-	895,023	30,653,454	31,548,477
Difference between projected and actual earnings on plan investments, net	-	-	8,808,690	8,808,690
Changes in proportion and differences between City contributions and proportionate share of contributions	2,255,886	-	-	2,255,886

E. New pronouncements

The GASB has issued pronouncements, which the City of Raleigh elected to early adopt in prior reporting years as indicated below:

Fiscal Year 2019

GASB Statement No. 89, "Accounting for Interest Cost Incurred before the End of a Construction Period." Revised effective date (*) starting with fiscal years ending December 31, 2020. Management determined that the impact of this Statement is reflective of expenditure activity instead of recognizing capitalized interest.

Fiscal Year 2020

GASB Statement No. 84 and Implementation Guide No. 2019-2, "Fiduciary Activities." Revised effective date (*) starting with fiscal years ending December 31, 2020. Management determined that the impacts of this Statement did not have a material effect on the City.

GASB Statement No. 90, "Major Equity Interests – an Amendment of GASB Statements No. 14 and No. 61. Revised effective date (*) starting with fiscal years ending December 31, 2020. Management determined that the impacts of this Statement did not have a material effect on the City.

Implementation Guide No. 2019-1, "Implementation Guide Update – 2019." Revised effective date (*) starting with fiscal years ending June 30, 2021. Management determined that the impacts did not have a material effect on the City.

The GASB had no additional pronouncements that the City was required to implement effective as of the fiscal year ended June 30, 2021.

The GASB has issued pronouncements prior to June 30, 2021, which have an effective date that may impact future presentations. Management has not currently determined what impact the implementation of the below statements may have on the financial statements of the City.

GASB Statement No. 87 and Implementation Guide No. 2019-3, "Leases." Revised effective dates (*) starting with fiscal years ending June 30, 2022.

GASB Statement No. 91, "Conduit Debt Obligations." Revised effective date (*) starting with fiscal years ending December 31, 2022.

GASB Statement No. 92, "Omnibus 2020." The requirements of this Statement will take effect starting with fiscal years ending June 30, 2022.

GASB Statement No. 93, "Replacement of Interbank Offered Rates." The requirement in paragraph 11b will take effect starting with fiscal years ending December 31, 2021. The requirements in paragraphs 13 and 14 will take effect starting with fiscal years ending June 30, 2022.

GASB Statement No. 94, "Public-Private and Public-Public Partnerships and Availability Payment Arrangements." The requirements of this Statement will take effect for starting with fiscal years ending June 30, 2023.

GASB Statement No. 96, "Subscription-Based Information Technology Arrangements." The requirements of this Statement will take effect starting with fiscal years ending June 30, 2023.

GASB Statement No. 97, "Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32." The requirements of this Statement will take effect starting with fiscal years ending June 30, 2022.

* Due to the global COVID-19 pandemic, grace periods were announced extending effective dates to finalize implementation of pronouncements, but earlier application was encouraged.

F. Subsequent events

The City has evaluated events through October 29, 2021 in connection with the preparation of these financial statements, which is the date the financials were available to be issued.

Required Supplementary Information

**City of Raleigh's Schedule of Changes in the Net OPEB Liability and Related Ratios
Required Supplementary Information
Last Five Fiscal Years**

OPEB Benefits Plan

Total OPEB Liability	2021	2020	2019	2018	2017
Service Cost	\$ 6,359,717	\$ 5,693,047	\$ 5,822,396	\$ 9,927,166	\$ 10,561,625
Interest	16,431,054	15,721,881	15,698,439	11,950,667	10,767,810
Changes of benefits terms	-	(5,634)	-	-	-
Differences between expected and actual experience	8,106,917	3,772,689	(18,202,365)	(548,349)	-
Changes of assumptions	2,660,475	-	10,707,577	(65,887,310)	(14,718,276)
Benefit payments**	<u>(15,582,717)</u>	<u>(14,536,852)</u>	<u>(12,873,618)</u>	<u>(13,274,514)</u>	<u>(13,737,352)</u>
Net change in total OPEB liability	17,975,446	10,645,131	1,152,429	(57,832,340)	(7,126,193)
Total OPEB liability - beginning	242,388,924	231,743,793	230,591,364	288,423,704	295,549,897
Total OPEB liability - ending	<u>\$ 260,364,370</u>	<u>\$ 242,388,924</u>	<u>\$ 231,743,793</u>	<u>\$ 230,591,364</u>	<u>\$ 288,423,704</u>
Plan fiduciary net position					
Contributions - employer	\$ 19,662,858	\$ 18,021,414	\$ 17,728,081	\$ 16,539,000	\$ 14,434,837
Net investment income	14,926,938	3,078,357	2,577,776	2,651,455	3,465,384
Benefit payments*	(15,582,717)	(14,536,852)	(12,873,618)	(13,274,514)	(13,737,352)
Administrative expense	<u>(64,871)</u>	<u>(76,033)</u>	<u>(75,587)</u>	<u>(72,496)</u>	<u>(36,252)</u>
Net change in plan fiduciary net position	18,942,208	6,486,886	7,356,652	5,843,445	4,126,617
Plan fiduciary net position - beginning	51,488,064	45,001,178	37,644,526	31,801,081	27,674,464
Plan fiduciary net position - ending	<u>\$ 70,430,272</u>	<u>\$ 51,488,064</u>	<u>\$ 45,001,178</u>	<u>\$ 37,644,526</u>	<u>\$ 31,801,081</u>
City's net OPEB liability - ending	<u>\$ 189,934,098</u>	<u>\$ 190,900,860</u>	<u>\$ 186,742,615</u>	<u>\$ 192,946,838</u>	<u>\$ 256,622,623</u>
Plan fiduciary net position as a percentage of the total OPEB liability	27.05%	21.24%	19.42%	16.33%	11.03%
Covered payroll	\$ 243,880,708	\$ 226,599,625	\$ 226,599,625	\$ 182,145,153	\$ 182,145,153
City's net OPEB liability as a percentage of covered payroll	77.88%	84.25%	82.41%	105.93%	140.89%

*Benefit payments are net of participant contributions

Information is not required to be presented retroactively. Data for years prior to that presented is unavailable.

**City of Raleigh's Schedule of Employer Contributions
Required Supplementary Information
Last Six Fiscal Years**

OPEB Benefits Plan

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Actuarially determined contribution	\$ 17,877,136	\$ 16,322,792	\$ 16,322,792	\$ 16,322,792	\$ 16,538,686	\$ 14,084,837
Contributions in relation to the actuarially determined contribution	19,662,858	18,021,414	17,728,081	16,539,000	14,434,837	13,949,558
Contribution deficiency (excess)	<u>\$ (1,785,722)</u>	<u>\$ (1,698,622)</u>	<u>\$ (1,405,289)</u>	<u>\$ (216,208)</u>	<u>\$ 2,103,849</u>	<u>\$ 135,279</u>
Covered payroll	\$ 243,880,708	\$ 226,599,625	\$ 226,599,625	\$ 182,145,153	\$ 182,145,153	\$ 182,145,153
Contributions as a percentage of covered payroll	8.06%	7.95%	7.82%	9.08%	7.92%	7.66%

Notes to schedule

Valuation Date: 6/30/2020

Actuarially determined contribution rates are calculated as of June 30, one year prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Projected unit credit
Amortization method	Level dollar payments
Amortization period	19 years
Asset valuation method	Market value of assets
Inflation	2.50%
Healthcare cost trend rates	7.00% for 2020 decreasing to an ultimate rate of 4.50% by 2026
Salary increases	
General Employees	3.25% - 8.41%
Firefighters	3.25% - 8.15%
Law Enforcement Officers	3.25% - 7.90%
Investment rate of return	7.00%
Retirement age:	

In the 2020 actuarial valuation and forward, assumed life expectancies were adjusted as a result of an actuarial experience study for the period of January 1, 2015 through December 31, 2019, adopted by the LGERS Board. In prior years, those assumptions were based on the RP-2014 Healthy Annuitant Mortality table.

Mortality:

In the 2020 actuarial valuation and forward, assumed life expectancies were adjusted as a result of adopting the Pub-2010 mortality tables, with adjustments for LGERS experience and generational mortality improvements using Scale MP-2019. In prior years, those assumptions were based on the RP-2014 Healthy Mortality table.

Information is not required to be presented retroactively. Data for years prior to that presented is unavailable.

**City of Raleigh's Schedule of Investment Returns
Required Supplementary Information
Last Five Fiscal Years**

OPEB Benefits Plan

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Annual money-weighted rate of return, net of investment expense	21.10%	5.83%	5.56%	6.85%	10.78%

Information is not required to be presented retroactively. Data for years prior to that presented is unavailable.

**City of Raleigh's Proportionate Share of Net Pension Liability (Asset)
Required Supplementary Information
Last Seven Fiscal Years ***

Local Government Employees' Retirement System

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Raleigh's proportion of the net pension liability (asset)	3.76712%	3.87861%	3.86529%	3.71006%	3.82340%	3.75642%	3.72410%
Raleigh's proportion of the net pension liability (asset)	\$ 134,615,246	\$ 105,921,814	\$ 91,697,898	\$ 56,679,440	\$ 81,145,356	\$ 16,858,648	\$ (21,863,612)
Raleigh's covered payroll	\$ 258,413,079	\$ 248,029,917	\$ 240,754,795	\$ 230,212,405	\$ 210,212,491	\$ 202,649,654	\$ 194,516,160
Raleigh's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	52.09%	42.71%	38.09%	24.62%	38.60%	8.32%	(11.24%)
Plan fiduciary net position as a percentage of the total pension liability**	88.61%	90.86%	91.63%	94.18%	91.47%	98.09%	102.64%

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

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

**City of Raleigh's Contributions
Required Supplementary Information
Last Seven Fiscal Years ***

Local Government Employees' Retirement System

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 26,995,729	\$ 23,648,570	\$ 19,688,743	\$ 18,460,693	\$ 17,046,989	\$ 14,237,418	\$ 14,479,623
Contributions in relation to the contractually required contribution	26,995,729	23,648,570	19,688,743	18,460,693	17,046,989	14,237,418	14,479,623
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Raleigh's covered payroll	\$ 258,415,966	\$ 258,413,079	\$ 248,029,917	\$ 240,754,795	\$ 230,212,405	\$ 210,212,491	\$ 202,649,654
Contributions as a percentage of covered-employee payroll	10.45%	9.15%	7.94%	7.67%	7.40%	6.77%	7.15%

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

**City of Raleigh's Schedule of Changes in Total Pension Liability
Required Supplementary Information
Last Five Fiscal Years**

Law Enforcement Officers' Special Separation Allowance

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Beginning Balance	\$ 51,515,552	\$ 46,961,348	\$ 45,440,181	\$ 41,779,030	\$ 43,129,788
Service Cost	1,622,424	1,491,697	1,520,495	1,230,644	1,367,308
Interest on the total pension liability	1,615,343	1,642,038	1,378,023	1,544,969	1,481,526
Difference between expected and actual experience	1,605,202	3,712,191	3,966,358	2,049,262	-
Change in assumptions and other inputs	16,810,150	1,409,124	(1,679,990)	2,344,123	(938,656)
Benefit payments	(3,930,330)	(3,700,846)	(3,663,719)	(3,507,847)	(3,260,936)
Ending balance of pension liability	<u>\$ 69,238,341</u>	<u>\$ 51,515,552</u>	<u>\$ 46,961,348</u>	<u>\$ 45,440,181</u>	<u>\$ 41,779,030</u>

**City of Raleigh's Schedule of Total Pension Liability as a Percentage of Covered Payroll
Required Supplementary Information
Last Five Fiscal Years**

Law Enforcement Officers' Special Separation Allowance

	<u>2021</u>		<u>2020</u>		<u>2019</u>		<u>2018</u>		<u>2017</u>
Total pension liability	\$ 69,238,341	\$	51,515,552	\$	46,961,348	\$	45,440,181	\$	41,779,030
Covered payroll	53,414,221		53,106,703		49,859,872		46,317,598		48,708,066
Total pension liability as a percentage of covered payroll	129.63%		97.00%		94.19%		98.11%		85.77%

Notes to the schedules:

The City of Raleigh has no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 73 to pay related benefits.

Combining and Individual Financial Statements and Schedules

The **Combining and Individual Financial Statements and Schedules** reflect the detail level of presentation behind the basic financial statements.

Included are the following:

- Combining Statements - By Fund Type
- Individual Fund Schedules with Comparisons to Budget
- Other Schedules - Debt

Nonmajor Governmental Funds

The Nonmajor Governmental Funds statements include the combining balance sheet and combining statement of revenues, expenditures and changes in fund balance for nonmajor special revenue funds and nonmajor capital projects funds that comprise the other governmental funds column in the basic financial statements. The combining nonmajor special revenue funds statements and the combining nonmajor capital projects funds statements are detailed behind the special revenue funds and capital project funds summary pages that follow.

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2021

	Special Revenue Funds	Capital Project Funds	Total Nonmajor Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 55,575,802	\$ 111,140,429	\$ 166,716,231
Assessments receivable, net of allowance for uncollectibles of \$101,064	-	228,447	228,447
Due from other funds	390,838	155,754	546,592
Due from other governmental agencies	16,104,881	1,537,141	17,642,022
Accrued interest receivable	225,876	-	225,876
Other receivables and assets	537,438	-	537,438
Sales tax receivable	108,602	1,361,912	1,470,514
Franchise tax receivable	-	19,608	19,608
Loans receivable, net of allowance for uncollectibles of \$7,784,805	64,423,000	-	64,423,000
Cash and cash equivalents/investments - restricted deposits and bond proceeds	57,529,510	25,056,735	82,586,245
Total assets	<u>\$ 194,895,947</u>	<u>\$ 139,500,026</u>	<u>\$ 334,395,973</u>
LIABILITIES			
Accounts payable	\$ 897,639	\$ 7,219,659	\$ 8,117,298
Accrued salaries and employee payroll taxes	123,206	-	123,206
Sales tax payable	580	3,583	4,163
Loan servicing escrow	429,608	-	429,608
Due to other funds	7,411,999	432,722	7,844,721
Reimbursable facility fees	-	9,410,529	9,410,529
Escrow and other deposits payable from restricted assets	-	1,720,027	1,720,027
Due to other governmental agencies	222,142	-	222,142
American Rescue Plan Act (ARPA) liability	36,646,182	-	36,646,182
Emergency Rental Assistance (ERA) liability	16,717,226	-	16,717,226
Total liabilities	<u>62,448,582</u>	<u>18,786,520</u>	<u>81,235,102</u>
DEFERRED INFLOWS OF RESOURCES			
Unearned revenue	1,749,231	194,639	1,943,870
Assessments receivable	-	228,447	228,447
Prepaid assessments	-	7,408	7,408
Total deferred inflows of resources	<u>1,749,231</u>	<u>430,494</u>	<u>2,179,725</u>
FUND BALANCES			
Restricted:			
Debt service	35,734,310	-	35,734,310
Public safety	2,085,681	-	2,085,681
Federal programs	382	-	382
Assigned:			
Subsequent year's appropriation	17,471,292	71,349,375	88,820,667
City projects	-	48,933,637	48,933,637
Community development	72,834,888	-	72,834,888
Disaster recovery	2,571,581	-	2,571,581
Total fund balances	<u>130,698,134</u>	<u>120,283,012</u>	<u>250,981,146</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 194,895,947</u>	<u>\$ 139,500,026</u>	<u>\$ 334,395,973</u>

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2021**

	Special Revenue Funds	Capital Projects Funds	Combining Eliminations	Total Nonmajor Governmental Funds
REVENUES				
Intergovernmental	\$ 38,289,416	\$ 647,960	\$ -	\$ 38,937,376
Non-governmental	105,266	-	-	105,266
Assessments	-	2,138,548	-	2,138,548
Gain (loss) on investments	563,322	17,481	-	580,803
Facility fees	-	11,438,897	-	11,438,897
Other fees and charges	-	5,562	-	5,562
Developer participation	-	1,657,241	-	1,657,241
Rents	127,552	-	-	127,552
Program income	3,168,788	-	-	3,168,788
Licenses	-	79,352	-	79,352
Recovery of claims	51,373	-	-	51,373
Donations and contributions	-	1,403,145	-	1,403,145
Miscellaneous other	94,575	184,827	-	279,402
Total revenues	<u>42,400,292</u>	<u>17,573,013</u>	<u>-</u>	<u>59,973,305</u>
EXPENDITURES				
Current:				
General government	3,667,384	1,669,115	-	5,336,499
Community development services	5,069,244	26,151	-	5,095,395
Public infrastructure	13,273,282	49,901,592	-	63,174,874
Public safety	2,595,770	11,576,094	-	14,171,864
Leisure services	773,868	26,782,514	-	27,556,382
Economic development programs	7,192,944	-	-	7,192,944
Total expenditures	<u>32,572,492</u>	<u>89,955,466</u>	<u>-</u>	<u>122,527,958</u>
Excess (deficiency) of revenues over (under) expenditures	<u>9,827,800</u>	<u>(72,382,453)</u>	<u>-</u>	<u>(62,554,653)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	5,063,265	7,096,945	(20,000)	12,140,210
Transfers out	(23,419,091)	(9,186,509)	20,000	(32,585,600)
Issuance of debt	-	45,526,579	-	45,526,579
Gain (loss) on sale of property	597,052	-	-	597,052
Total other financing sources and uses	<u>(17,758,774)</u>	<u>43,437,015</u>	<u>-</u>	<u>25,678,241</u>
Net change in fund balances	(7,930,974)	(28,945,438)	-	(36,876,412)
Fund balances, beginning of year	138,629,108	149,228,450	-	287,857,558
Fund balances, end of year	<u>\$ 130,698,134</u>	<u>\$ 120,283,012</u>	<u>\$ -</u>	<u>\$ 250,981,146</u>

Special Revenue Funds

The primary purpose of the **Special Revenue Funds** is to account for the proceeds of designated revenue sources that are restricted by law or administrative action for specific purposes. Revenue sources accounted for through the City's special revenue funds include various grant funds, housing bond funds, community development funds, a disaster recovery fund, a convention center financing fund, and an emergency telephone system fund.

Special Revenue Funds

Grants Fund (nonmajor fund)

The Grants Fund accounts for activities to which federal, state, and other aid is contributed, with the exception of capital projects, federal community development, and public transportation assistance. This fund centralizes all funding sources for these activities and provides for full budgetary accountability.

Housing Bond Fund (nonmajor fund)

The Housing Bond Fund accounts for City housing development programs which are financed by general obligation bond issues.

Community Development Fund (nonmajor fund)

The Community Development Fund accounts for United States Department of Housing and Urban Development (HUD) grant proceeds allocated to the City for community development programs.

American Rescue Plan Act (ARPA) Fund (nonmajor fund)

The American Rescue Plan Act (ARPA) Fund accounts for United States Department of the Treasury direct grant proceeds to be spent for purposes authorized under the applicable regulations, such as community assistance, small businesses and hospitality support, revenue replacement to maintain critical governmental services, housing and homelessness, community health, transit and infrastructure.

Disaster Recovery Fund (nonmajor fund)

The Disaster Recovery Fund accounts for federal and state reimbursement for disaster recovery activities resulting from various natural disasters, the City's flood mitigation program, and pandemics or other emergency response events.

Convention Center Financing Fund (nonmajor fund)

The Convention Center Financing Fund accounts for hotel and motel occupancy taxes collected by the County and remitted to the City per an interlocal agreement to fund the financing of the Convention Center.

Emergency Telephone System Fund (nonmajor fund)

The Emergency Telephone System Fund is used to account for 911 revenues received by the state 911 board to enhance the state's 911 system.

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
June 30, 2021

	Grants Fund	Housing Bond Fund	Community Development Fund	American Rescue Plan (ARPA) Fund
ASSETS				
Cash and cash equivalents	\$ -	\$ 15,281,556	\$ -	\$ -
Due from other governmental agencies	8,709,954	-	1,447,407	-
Accrued interest receivable	-	-	-	-
Other receivables and assets	-	-	-	-
Sales tax receivable	28,499	4,960	-	-
Due from other funds	106,080	-	-	-
Loans receivable, net of allowance of \$7,784,805	-	34,715,362	29,707,638	-
Cash and cash equivalents/investments - restricted deposits and bond proceeds	-	4,698,864	-	36,646,564
Total assets	\$ 8,844,533	\$ 54,700,742	\$ 31,155,045	\$ 36,646,564
LIABILITIES				
Accounts payable	\$ 462,787	\$ 32,718	\$ 176,222	\$ -
Accrued salaries and employee payroll taxes	92,145	-	31,061	-
Sales tax payable	488	-	-	-
Loan servicing escrow	-	-	429,608	-
Due to other funds	6,931,686	-	196,570	-
Due to other governmental agencies	-	-	222,142	-
American Rescue Plan Act (ARPA) liability	-	-	-	36,646,182
Emergency Rental Assistance (ERA) liability	-	-	-	-
Total liabilities	7,487,106	32,718	1,055,603	36,646,182
DEFERRED INFLOWS OF RESOURCES				
Unearned revenue	1,357,427	-	391,804	-
Total deferred inflows of resources	1,357,427	-	391,804	-
FUND BALANCES				
Restricted:				
Debt service	-	-	-	-
Public safety	-	-	-	-
Federal programs	-	-	-	382
Assigned:				
Subsequent year's appropriation	-	11,540,774	-	-
Community development	-	43,127,250	29,707,638	-
Disaster recovery	-	-	-	-
Total fund balances	-	54,668,024	29,707,638	382
Total liabilities, deferred inflows of resources and fund balances	\$ 8,844,533	\$ 54,700,742	\$ 31,155,045	\$ 36,646,564

**COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
June 30, 2021**

	Disaster Recovery Fund	Convention Center Financing Fund	Emergency Telephone System Fund	Total Nonmajor Special Revenue Funds
ASSETS				
Cash and cash equivalents	\$ 1,559,348	\$ 36,825,806	\$ 1,909,092	\$ 55,575,802
Due from other governmental agencies	1,141,489	4,766,633	39,398	16,104,881
Accrued interest receivable	-	223,239	2,637	225,876
Other receivables and assets	533,144	3,472	822	537,438
Sales tax receivable	-	-	75,143	108,602
Due from other funds	-	-	284,758	390,838
Loans receivable, net of allowance of \$7,784,805	-	-	-	64,423,000
Cash and cash equivalents/investments - restricted deposits and bond proceeds	16,184,082	-	-	57,529,510
Total assets	<u>\$ 19,418,063</u>	<u>\$ 41,819,150</u>	<u>\$ 2,311,850</u>	<u>\$ 194,895,947</u>
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ 225,912	\$ 897,639
Accrued salaries and employee payroll taxes	-	-	-	123,206
Sales tax payable	-	-	92	580
Loan servicing escrow	-	-	-	429,608
Due to other funds	129,256	154,322	165	7,411,999
Due to other governmental agencies	-	-	-	222,142
American Rescue Plan Act (ARPA) liability	-	-	-	36,646,182
Emergency Rental Assistance (ERA) liability	16,717,226	-	-	16,717,226
Total liabilities	<u>16,846,482</u>	<u>154,322</u>	<u>226,169</u>	<u>62,448,582</u>
DEFERRED INFLOWS OF RESOURCES				
Unearned revenue	-	-	-	1,749,231
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,749,231</u>
FUND BALANCES				
Restricted:				
Debt service	-	35,734,310	-	35,734,310
Public safety	-	-	2,085,681	2,085,681
Federal programs	-	-	-	382
Assigned:				
Subsequent year's appropriation	-	5,930,518	-	17,471,292
Community development	-	-	-	72,834,888
Disaster recovery	2,571,581	-	-	2,571,581
Total fund balances	<u>2,571,581</u>	<u>41,664,828</u>	<u>2,085,681</u>	<u>130,698,134</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 19,418,063</u>	<u>\$ 41,819,150</u>	<u>\$ 2,311,850</u>	<u>\$ 194,895,947</u>

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
For the Fiscal Year Ended June 30, 2021**

	Grants Fund	Housing Bond Fund	Community Development Fund	American Rescue Plan (ARPA) Fund
REVENUES				
Intergovernmental (including in-kind contributions of \$9,732)	\$ 9,635,585	\$ -	\$ 3,683,669	\$ -
Non-governmental	105,266	-	-	-
Gain (loss) on investments	-	1,234	-	382
Rents	-	127,552	-	-
Program income	-	2,929,178	239,610	-
Recovery of claims	-	51,373	-	-
Miscellaneous other	-	-	45,567	-
Total revenues	<u>9,740,851</u>	<u>3,109,337</u>	<u>3,968,846</u>	<u>382</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Community development services	288,174	-	4,781,070	-
Public infrastructure	13,273,282	-	-	-
Public safety	404,041	-	-	-
Leisure services	173,868	-	-	-
Economic development programs	40,000	7,152,944	-	-
Total expenditures	<u>14,179,365</u>	<u>7,152,944</u>	<u>4,781,070</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,438,514)</u>	<u>(4,043,607)</u>	<u>(812,224)</u>	<u>382</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	4,438,514	-	-	-
Transfers out	-	(400,000)	-	-
Gain (loss) on sale of property	-	-	597,052	-
Total other financing sources and uses	<u>4,438,514</u>	<u>(400,000)</u>	<u>597,052</u>	<u>-</u>
Net change in fund balances	-	(4,443,607)	(215,172)	382
Fund balances, beginning of year	-	59,111,631	29,922,810	-
Fund balances, end of year	<u>\$ -</u>	<u>\$ 54,668,024</u>	<u>\$ 29,707,638</u>	<u>\$ 382</u>

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
For the Fiscal Year Ended June 30, 2021**

	Disaster Recovery Fund	Convention Center Financing Fund	Emergency Telephone System Fund	Total Nonmajor Special Revenue Funds
REVENUES				
Intergovernmental (including in-kind contributions of \$9,732)	\$ 3,313,278	\$ 19,022,899	\$ 2,633,985	\$ 38,289,416
Non-governmental	-	-	-	105,266
Gain (loss) on investments	-	557,625	4,081	563,322
Rents	-	-	-	127,552
Program income	-	-	-	3,168,788
Recovery of claims	-	-	-	51,373
Miscellaneous other	-	49,008	-	94,575
Total revenues	<u>3,313,278</u>	<u>19,629,532</u>	<u>2,638,066</u>	<u>42,400,292</u>
EXPENDITURES				
Current:				
General government	3,667,384	-	-	3,667,384
Community development services	-	-	-	5,069,244
Public infrastructure	-	-	-	13,273,282
Public safety	-	-	2,191,729	2,595,770
Leisure services	-	600,000	-	773,868
Economic development programs	-	-	-	7,192,944
Total expenditures	<u>3,667,384</u>	<u>600,000</u>	<u>2,191,729</u>	<u>32,572,492</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(354,106)</u>	<u>19,029,532</u>	<u>446,337</u>	<u>9,827,800</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	624,751	5,063,265
Transfers out	-	(23,019,091)	-	(23,419,091)
Gain (loss) on sale of property	-	-	-	597,052
Total other financing sources and uses	<u>-</u>	<u>(23,019,091)</u>	<u>624,751</u>	<u>(17,758,774)</u>
Net change in fund balances	(354,106)	(3,989,559)	1,071,088	(7,930,974)
Fund balances, beginning of year	<u>2,925,687</u>	<u>45,654,387</u>	<u>1,014,593</u>	<u>138,629,108</u>
Fund balances, end of year	<u>\$ 2,571,581</u>	<u>\$ 41,664,828</u>	<u>\$ 2,085,681</u>	<u>\$ 130,698,134</u>

**SCHEDULE OF REVENUES AND EXPENDITURES
COMPARED WITH BUDGET
GRANTS FUND**

For the Fiscal Year Ended June 30, 2021

	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total</u>	<u>Budget</u>	<u>Over (Under) Budget</u>
REVENUES					
Intergovernmental:					
U.S. Department of Transportation Corporation for National and Community Service (including in-kind contributions of \$9,732)	\$ 15,434,472	\$ 9,048,368	\$ 24,482,840	\$ 30,660,281	\$ (6,177,441)
U.S. Department of Justice	499,952	212,908	712,860	2,891,866	(2,179,006)
U.S. Department of Homeland Security	718,692	321,553	1,040,245	1,095,675	(55,430)
Office of National Drug Control Policy	1,353,735	11,717	1,365,452	1,469,194	(103,742)
State of North Carolina	45,712	7,204	52,916	88,914	(35,998)
Wake County	422,677	(22,193)	400,484	1,480,738	(1,080,254)
	234,863	56,028	290,891	206,659	84,232
	<u>18,710,103</u>	<u>9,635,585</u>	<u>28,345,688</u>	<u>37,893,327</u>	<u>(9,547,639)</u>
Non-governmental	<u>2,104,421</u>	<u>105,266</u>	<u>2,209,687</u>	<u>2,313,191</u>	<u>(103,504)</u>
Total revenues	<u>20,814,524</u>	<u>9,740,851</u>	<u>30,555,375</u>	<u>40,206,518</u>	<u>(9,651,143)</u>
OTHER FINANCING SOURCES					
Transfers from:					
General fund	1,648,297	4,219,514	5,867,811	6,384,582	(516,771)
Mass transit fund	1,315,763	-	1,315,763	1,286,852	28,911
Solid waste services	-	199,000	199,000	199,000	-
Miscellaneous capital projects fund	-	20,000	20,000	20,000	-
Total other financing sources	<u>2,964,060</u>	<u>4,438,514</u>	<u>7,402,574</u>	<u>7,890,434</u>	<u>(487,860)</u>
Total revenues and other financing sources	<u>\$ 23,778,584</u>	<u>\$ 14,179,365</u>	<u>\$ 37,957,949</u>	<u>\$ 48,096,952</u>	<u>\$ (10,139,003)</u>
EXPENDITURES					
General government	\$ 33,145	\$ -	\$ 33,145	\$ 45,000	\$ (11,855)
Community development services	2,630,371	288,174	2,918,545	3,253,977	(335,432)
Public infrastructure	17,692,362	13,273,282	30,965,644	39,383,948	(8,418,304)
Public safety	3,206,021	404,041	3,610,062	4,432,623	(822,561)
Leisure services	216,685	173,868	390,553	941,404	(550,851)
Economic development	-	40,000	40,000	40,000	-
Total expenditures	<u>23,778,584</u>	<u>14,179,365</u>	<u>37,957,949</u>	<u>48,096,952</u>	<u>(10,139,003)</u>
Total expenditures and other financing uses	<u>\$ 23,778,584</u>	<u>\$ 14,179,365</u>	<u>\$ 37,957,949</u>	<u>\$ 48,096,952</u>	<u>\$ (10,139,003)</u>

**SCHEDULE OF REVENUES AND EXPENDITURES
COMPARED WITH BUDGET
HOUSING BOND FUND
For the Fiscal Year Ended June 30, 2021**

	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total</u>	<u>Budget</u>	<u>Over (Under) Budget</u>
REVENUES					
Gain (loss) on investments	\$ 1,322,450	\$ 1,234	\$ 1,323,684	\$ -	\$ 1,323,684
Rents	327,460	127,552	455,012	630,000	(174,988)
Program income	16,494,110	5,607,834	22,101,944	6,161,455	15,940,489
Recovery of claims	83,846	51,373	135,219	83,846	51,373
Miscellaneous other	375,208	-	375,208	86,000	289,208
Total revenues	<u>18,603,074</u>	<u>5,787,993</u>	<u>24,391,067</u>	<u>6,961,301</u>	<u>17,429,766</u>
OTHER FINANCING SOURCES					
Transfers from:					
General fund	1,500,000	-	1,500,000	1,500,000	-
Housing development fund	740,000	-	740,000	740,000	-
Bonds issued	54,142,137	-	54,142,137	54,142,137	-
Gain (loss) on sale of property	4,874,751	-	4,874,751	1,978,893	2,895,858
Total other financing sources	<u>61,256,888</u>	<u>-</u>	<u>61,256,888</u>	<u>58,361,030</u>	<u>2,895,858</u>
Total revenues and other financing sources	<u>\$ 79,859,962</u>	<u>\$ 5,787,993</u>	<u>\$ 85,647,955</u>	65,322,331	<u>\$ 20,325,624</u>
Fund balance appropriated				-	
				<u>\$ 65,322,331</u>	
EXPENDITURES					
Economic development programs	<u>\$ 23,736,450</u>	<u>\$ 10,501,292</u>	<u>\$ 34,237,742</u>	<u>\$ 62,381,331</u>	<u>\$ (28,143,589)</u>
OTHER FINANCING USES					
Transfer to:					
Housing development fund	141,000	-	141,000	141,000	-
Debt service fund	2,400,000	400,000	2,800,000	2,800,000	-
Total expenditures and other financing uses	<u>\$ 26,277,450</u>	<u>\$ 10,901,292</u>	<u>\$ 37,178,742</u>	<u>\$ 65,322,331</u>	<u>\$ (28,143,589)</u>
Excess revenues and other financing sources over expenditures and other financing uses		\$ (5,113,299)			
Reconciliation: Loan treatment under GAAP					
Principal payments on loans receivable		(2,678,656)			
Issuance of loans receivable		3,348,348			
Change in fund balance		<u>\$ (4,443,607)</u>			

**SCHEDULE OF REVENUES AND EXPENDITURES
 COMPARED WITH BUDGET
 COMMUNITY DEVELOPMENT FUND
 For the Fiscal Year Ended June 30, 2021**

	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total</u>	<u>Budget</u>	<u>Over (Under) Budget</u>
REVENUES					
Intergovernmental:					
US Department of HUD	\$ 68,079,198	\$ 3,683,669	\$ 71,762,867	\$ 63,128,182	\$ 8,634,685
Rents	1,756,491	-	1,756,491	1,329,663	426,828
Program income	14,157,132	567,976	14,725,108	12,123,457	2,601,651
Miscellaneous other	984,222	45,567	1,029,789	1,570,723	(540,934)
Total revenues	<u>84,977,043</u>	<u>4,297,212</u>	<u>89,274,255</u>	<u>78,152,025</u>	<u>11,122,230</u>
OTHER FINANCING SOURCES					
Transfers from:					
Housing development - operating	1,783,403	-	1,783,403	1,783,403	-
Proceeds from sale of property	4,720,379	597,052	5,317,431	3,661,277	1,656,154
Total other financing sources	<u>6,503,782</u>	<u>597,052</u>	<u>7,100,834</u>	<u>5,444,680</u>	<u>1,656,154</u>
Total revenues and other financing sources	<u>\$ 91,480,825</u>	<u>\$ 4,894,264</u>	<u>\$ 96,375,089</u>	<u>\$ 83,596,705</u>	<u>\$ 12,778,384</u>
EXPENDITURES					
Community development services	<u>\$ 61,522,214</u>	<u>\$ 6,100,471</u>	<u>\$ 67,622,685</u>	<u>\$ 83,558,470</u>	<u>\$ (15,935,785)</u>
OTHER FINANCING USES					
Transfer to:					
Technology capital projects fund	35,801	-	35,801	38,235	(2,434)
Total expenditures and other financing uses	<u>\$ 61,558,015</u>	<u>\$ 6,100,471</u>	<u>\$ 67,658,486</u>	<u>\$ 83,596,705</u>	<u>\$ (15,938,219)</u>
Excess revenues and other financing sources over expenditures and other financing uses		(1,206,207)			
Reconciliation: Loan treatment under GAAP					
Principal payments on loans receivable		(328,366)			
Issuance of loans receivable		1,319,401			
Change in fund balance		<u>\$ (215,172)</u>			

**SCHEDULE OF REVENUES AND EXPENDITURES
 COMPARED WITH BUDGET
 AMERICAN RESCUE PLAN (ARPA) FUND
 For the Fiscal Year Ended June 30, 2021**

	<u>Prior</u> <u>Years</u>	<u>Actual</u> <u>Current</u> <u>Year</u>	<u>Total</u>	<u>Budget</u>	<u>Over</u> <u>(Under)</u> <u>Budget</u>
REVENUES					
Gain (loss) on investments	\$ -	\$ 382	\$ 382	\$ -	\$ 382
Total revenues	<u>\$ -</u>	<u>\$ 382</u>	<u>\$ 382</u>	<u>\$ -</u>	<u>\$ 382</u>

**SCHEDULE OF REVENUES AND EXPENDITURES
COMPARED WITH BUDGET
DISASTER RECOVERY FUND
For the Fiscal Year Ended June 30, 2021**

	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total</u>	<u>Budget</u>	<u>Over (Under) Budget</u>
REVENUES					
Intergovernmental:					
Federal Emergency Management Agency	\$ 8,837,226	\$ 151,401	\$ 8,988,627	\$ 12,749,614	\$ (3,760,987)
US Department of Treasury	1,066,514	3,161,877	4,228,391	25,612,354	(21,383,963)
NC Department of Transportation	80,347	-	80,347	-	80,347
Mutual aid	330,303	-	330,303	191,028	139,275
Recovery of claims	573,480	-	573,480	-	573,480
Total revenues	<u>10,887,870</u>	<u>3,313,278</u>	<u>14,201,148</u>	<u>38,552,996</u>	<u>(24,351,848)</u>
OTHER FINANCING SOURCES					
Transfers from:					
General fund	3,350,000	-	3,350,000	3,350,000	-
Total revenues and other financing sources	<u>\$ 14,237,870</u>	<u>\$ 3,313,278</u>	<u>\$ 17,551,148</u>	<u>\$ 41,902,996</u>	<u>\$ (24,351,848)</u>
EXPENDITURES					
General government	\$ 7,271,154	\$ 3,667,384	\$ 10,938,538	\$ 37,861,967	\$ (26,923,429)
OTHER FINANCING USES					
Transfers to:					
General fund	3,480,285	-	3,480,285	3,480,285	-
OPEB trust fund	500,000	-	500,000	500,000	-
Solid waste services fund	31,934	-	31,934	31,934	-
Stormwater services fund	28,810	-	28,810	28,810	-
	<u>4,041,029</u>	<u>-</u>	<u>4,041,029</u>	<u>4,041,029</u>	<u>-</u>
Total expenditures and other financing uses	<u>\$ 11,312,183</u>	<u>\$ 3,667,384</u>	<u>\$ 14,979,567</u>	<u>\$ 41,902,996</u>	<u>\$ (26,923,429)</u>

**SCHEDULE OF REVENUES AND EXPENDITURES
 COMPARED WITH BUDGET
 CONVENTION CENTER FINANCING FUND
 For the Fiscal Year Ended June 30, 2021**

	<u>Actual</u>	<u>Budget</u>	<u>Over (Under) Budget</u>
REVENUES			
Intergovernmental:			
Wake County	\$ 19,022,899	\$ 19,626,837	\$ (603,938)
Miscellaneous other	49,008	-	49,008
Gain (loss) on investments	557,625	1,259,153	(701,528)
Total revenues	<u>\$ 19,629,532</u>	<u>20,885,990</u>	<u>\$ (1,256,458)</u>
Fund balance appropriated		<u>4,427,333</u>	
		<u>\$ 25,313,323</u>	
EXPENDITURES			
Leisure services	<u>\$ 600,000</u>	<u>\$ 600,000</u>	<u>\$ -</u>
OTHER FINANCING USES			
Transfers to:			
Convention center complex fund	23,019,091	24,713,323	(1,694,232)
Total other financing uses	<u>23,019,091</u>	<u>24,713,323</u>	<u>(1,694,232)</u>
Total expenditures and other financing uses	<u>\$ 23,619,091</u>	<u>\$ 25,313,323</u>	<u>\$ (1,694,232)</u>

**SCHEDULE OF REVENUES AND EXPENDITURES
 COMPARED WITH BUDGET
 EMERGENCY TELEPHONE SYSTEM FUND
 For the Fiscal Year Ended June 30, 2021**

	<u>Actual</u>	<u>Budget</u>	<u>Over (Under) Budget</u>
REVENUES			
Intergovernmental:			
State of North Carolina	\$ 2,633,985	\$ 2,740,727	\$ (106,742)
Gain (loss) on investments	4,081	3,800	281
Total revenues	<u>2,638,066</u>	<u>2,744,527</u>	<u>(106,461)</u>
OTHER FINANCING SOURCES			
Transfers from:			
General fund	<u>624,751</u>	<u>624,751</u>	<u>-</u>
Total revenues and other financing sources	<u>\$ 3,262,817</u>	3,369,278	<u>\$ (106,461)</u>
Fund balance appropriated		<u>200,000</u>	
		<u>\$ 3,569,278</u>	
EXPENDITURES			
Public safety:			
Telephone	\$ 820,311	\$ 1,804,472	\$ (984,161)
Software maintenance	1,113,180	1,486,801	(373,621)
Hardware maintenance	8,997	12,453	(3,456)
Training	7,031	15,552	(8,521)
Functions	242,210	-	242,210
Total expenditures	<u>2,191,729</u>	<u>3,319,278</u>	<u>(1,127,549)</u>
OTHER FINANCING USES			
Transfers to:			
General fund	<u>-</u>	<u>250,000</u>	<u>(250,000)</u>
Total expenditures and other financing uses	<u>\$ 2,191,729</u>	<u>\$ 3,569,278</u>	<u>\$ (1,377,549)</u>

General Capital Projects Funds

The purpose of the **General Capital Projects Funds** are to account for the financial resources segregated for the acquisition or construction of major general capital assets and facilities. The budgets within these funds are adopted for the life of the projects. Under the project accounting concept, project expenditures, and the revenues used to fund them, are accumulated until the year the project is completed. General projects accounted for within the general capital projects funds include street projects, park improvements, Raleigh Union Station, technology projects, major public facilities and other miscellaneous capital projects.

General Capital Projects Funds

Street Improvement Fund (nonmajor fund)

The Street Improvement Fund accounts for all street improvement programs to be financed from applicable street assessment proceeds and other non-bond street improvement resources.

Street Bond Fund (nonmajor fund)

The Street Bond Fund accounts for the street construction projects financed from the general obligation street bond issues.

Sidewalk Fund (nonmajor fund)

The Sidewalk Fund accounts for capital project costs for the construction of sidewalks within the City.

Park Improvement Fund (nonmajor fund)

The Park Improvement Fund accounts for transfers from the general fund and other revenues and allocations, and all project costs in the construction of park improvements as well as park land and greenway acquisition.

Facility Fees Fund (nonmajor fund)

The Facility Fees Fund accounts for facility fees collected from developers to be expended for street and park capital purposes within designated zones in the City.

Park Bond Fund (nonmajor fund)

The Park Bond Fund accounts for all bond proceeds and capital project costs related to the construction of park improvements or park land acquisition.

Miscellaneous Capital Improvements Fund (nonmajor fund)

The Miscellaneous Capital Improvements Fund accounts for all capital improvement costs not applicable to other capital improvement programs. These improvements are financed from non-bond resources. With the Raleigh Union Station project completed, the fund is presented as part of the Miscellaneous Capital Project Fund for reporting purposes only.

Walnut Creek Amphitheater Fund (nonmajor fund)

The Walnut Creek Amphitheater Fund accounts for capital projects costs of the Amphitheater financed by a portion of the Amphitheater rent.

Technology Capital Projects Fund (nonmajor fund)

The Technology Capital Projects Fund accounts for long-term technology projects as recommended by the City's technology governance process. These projects are financed partially from general fund resources.

Major Public Facilities Fund (nonmajor fund)

The Major Public Facilities Fund accounts for capital project costs for construction of new public facilities including remote operations centers for streets, parks, solid waste and public infrastructure. These projects are financed from certificates or participations debt issues.

**COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
June 30, 2021**

	Street Improvement Fund	Street Bond Fund	Sidewalk Fund	Park Improvement Fund	Facility Fees Fund	Park Bond Fund
ASSETS						
Cash and cash equivalents	\$ 20,784,154	\$ 3,865,025	\$ 3,582,499	\$ 16,546,135	\$ 21,586,439	\$ -
Assessments receivable, net of allowance for uncollectibles of \$101,064	228,447	-	-	-	-	-
Due from other funds	-	9,355	-	-	-	-
Due from other governmental agencies	1,535,609	-	-	1,532	-	-
Sales tax receivable	81,047	144,447	21,750	176,249	-	436,306
Franchise tax receivable	-	-	-	-	-	-
Cash and cash equivalents/investments - restricted deposits and bond proceeds	1,472,248	4,786,438	242,120	-	-	821,463
Total assets	<u>\$ 24,101,505</u>	<u>\$ 8,805,265</u>	<u>\$ 3,846,369</u>	<u>\$ 16,723,916</u>	<u>\$ 21,586,439</u>	<u>\$ 1,257,769</u>
LIABILITIES						
Accounts payable	\$ 2,030,393	\$ 3,318,921	\$ 39,194	\$ 245,425	\$ -	\$ 781,625
Sales tax payable	-	-	3,306	219	-	-
Due to other funds	9,355	-	-	-	-	-
Reimbursable facility fees	-	-	-	-	9,410,529	-
Escrow and other deposits payable from restricted assets	1,472,248	-	242,120	-	-	-
Total liabilities	<u>3,511,996</u>	<u>3,318,921</u>	<u>284,620</u>	<u>245,644</u>	<u>9,410,529</u>	<u>781,625</u>
DEFERRED INFLOWS OF RESOURCES						
Unearned revenue	128,987	-	-	4,792	-	-
Assessments receivable	228,447	-	-	-	-	-
Prepaid assessments	-	-	7,408	-	-	-
Total deferred inflows of resources	<u>357,434</u>	<u>-</u>	<u>7,408</u>	<u>4,792</u>	<u>-</u>	<u>-</u>
FUND BALANCES						
Assigned:						
Subsequent year's appropriation	17,719,969	5,486,344	3,554,341	7,523,893	-	13,499
City projects	2,512,106	-	-	8,949,587	12,175,910	462,645
Total fund balances	<u>20,232,075</u>	<u>5,486,344</u>	<u>3,554,341</u>	<u>16,473,480</u>	<u>12,175,910</u>	<u>476,144</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 24,101,505</u>	<u>\$ 8,805,265</u>	<u>\$ 3,846,369</u>	<u>\$ 16,723,916</u>	<u>\$ 21,586,439</u>	<u>\$ 1,257,769</u>

**COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
June 30, 2021**

	Miscellaneous Capital Improvements Fund	Walnut Creek Amphitheater Projects Fund	Technology Capital Projects Fund	Major Public Facilities Fund	Total Nonmajor Capital Projects Funds
ASSETS					
Cash and cash equivalents	\$ 36,103,357	\$ 1,403,351	\$ 7,269,469	\$ -	\$ 111,140,429
Assessments receivable, net of allowance for uncollectibles of \$101,064	-	-	-	-	228,447
Due from other funds	-	-	-	146,399	155,754
Due from other governmental agencies	-	-	-	-	1,537,141
Sales tax receivable	454,093	1,929	46,091	-	1,361,912
Franchise tax receivable	19,608	-	-	-	19,608
Cash and cash equivalents/investments - restricted deposits and bond proceeds	17,734,327	-	-	139	25,056,735
Total assets	<u>\$ 54,311,385</u>	<u>\$ 1,405,280</u>	<u>\$ 7,315,560</u>	<u>\$ 146,538</u>	<u>\$ 139,500,026</u>
LIABILITIES					
Accounts payable	\$ 781,338	\$ 1,623	\$ 21,140	\$ -	\$ 7,219,659
Sales tax payable	58	-	-	-	3,583
Due to other funds	146,399	-	276,968	-	432,722
Reimbursable facility fees	-	-	-	-	9,410,529
Escrow and other deposits payable from restricted assets	5,659	-	-	-	1,720,027
Total liabilities	<u>933,454</u>	<u>1,623</u>	<u>298,108</u>	<u>-</u>	<u>18,786,520</u>
DEFERRED INFLOWS OF RESOURCES					
Unearned revenue	60,860	-	-	-	194,639
Assessments receivable	-	-	-	-	228,447
Prepaid assessments	-	-	-	-	7,408
Total deferred inflows of resources	<u>60,860</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>430,494</u>
FUND BALANCES					
Assigned:					
Subsequent year's appropriation	28,676,523	1,357,354	7,017,452	-	71,349,375
City projects	24,640,548	46,303	-	146,538	48,933,637
Total fund balances	<u>53,317,071</u>	<u>1,403,657</u>	<u>7,017,452</u>	<u>146,538</u>	<u>120,283,012</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 54,311,385</u>	<u>\$ 1,405,280</u>	<u>\$ 7,315,560</u>	<u>\$ 146,538</u>	<u>\$ 139,500,026</u>

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
For the Fiscal Year Ended June 30, 2021

	Street Improvement Fund	Street Bond Fund	Sidewalk Fund	Park Improvement Fund	Facility Fees Fund	Park Bond Fund
REVENUES						
Intergovernmental	\$ 584,295	\$ -	\$ -	\$ -	\$ -	\$ -
Assessments	1,953,548	-	9,548	175,452	-	-
Gain (loss) on investments	-	880	-	-	-	588
Facility fees	-	-	-	74,134	11,364,763	-
Other fees and charges	-	-	-	-	-	-
Developer participation	-	1,657,241	-	-	-	-
Licenses	-	-	-	-	-	-
Donations and contributions	-	-	-	150,000	-	1,253,145
Miscellaneous other	8,627	-	-	1,200	-	-
Total revenues	<u>2,546,470</u>	<u>1,658,121</u>	<u>9,548</u>	<u>400,786</u>	<u>11,364,763</u>	<u>1,253,733</u>
EXPENDITURES						
Current:						
General government	-	-	-	-	-	-
Community development	-	-	-	-	-	-
Public infrastructure	13,134,925	27,811,562	1,198,878	-	-	-
Public safety	-	-	-	-	-	-
Leisure services	-	-	-	5,912,639	-	20,757,309
Total expenditures	<u>13,134,925</u>	<u>27,811,562</u>	<u>1,198,878</u>	<u>5,912,639</u>	<u>-</u>	<u>20,757,309</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(10,588,455)</u>	<u>(26,153,441)</u>	<u>(1,189,330)</u>	<u>(5,511,853)</u>	<u>11,364,763</u>	<u>(19,503,576)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	4,245,000	9,355	-	1,993,579	-	37,700
Transfers out	(9,355)	(43,579)	-	-	(6,165,923)	-
Issuance of debt	-	25,695,136	-	-	-	19,831,443
Total other financing sources and uses	<u>4,235,645</u>	<u>25,660,912</u>	<u>-</u>	<u>1,993,579</u>	<u>(6,165,923)</u>	<u>19,869,143</u>
Net change in fund balances	(6,352,810)	(492,529)	(1,189,330)	(3,518,274)	5,198,840	365,567
Fund balances, beginning of year	26,584,885	5,978,873	4,743,671	19,991,754	6,977,070	110,577
Fund balances, end of year	<u>\$ 20,232,075</u>	<u>\$ 5,486,344</u>	<u>\$ 3,554,341</u>	<u>\$ 16,473,480</u>	<u>\$ 12,175,910</u>	<u>\$ 476,144</u>

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
For the Fiscal Year Ended June 30, 2021

	Miscellaneous Capital Improvements Fund	Walnut Creek Amphitheater Projects Fund	Technology Capital Projects Fund	Major Public Facilities Fund	Combining Eliminations	Total Nonmajor Capital Projects Funds
REVENUES						
Intergovernmental	\$ 63,665	\$ -	\$ -	\$ -	\$ -	\$ 647,960
Assessments	-	-	-	-	-	2,138,548
Gain (loss) on investments	14,197	-	-	1,816	-	17,481
Facility fees	-	-	-	-	-	11,438,897
Other fees and charges	5,562	-	-	-	-	5,562
Developer participation	-	-	-	-	-	1,657,241
Licenses	79,352	-	-	-	-	79,352
Donations and contributions	-	-	-	-	-	1,403,145
Miscellaneous other	175,000	-	-	-	-	184,827
Total revenues	<u>337,776</u>	<u>-</u>	<u>-</u>	<u>1,816</u>	<u>-</u>	<u>17,573,013</u>
EXPENDITURES						
Current:						
General government	-	-	1,669,115	-	-	1,669,115
Community development	26,151	-	-	-	-	26,151
Public infrastructure	7,756,227	-	-	-	-	49,901,592
Public safety	11,576,094	-	-	-	-	11,576,094
Leisure services	-	112,566	-	-	-	26,782,514
Total expenditures	<u>19,358,472</u>	<u>112,566</u>	<u>1,669,115</u>	<u>-</u>	<u>-</u>	<u>89,955,466</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(19,020,696)</u>	<u>(112,566)</u>	<u>(1,669,115)</u>	<u>1,816</u>	<u>-</u>	<u>(72,382,453)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	2,950,056	-	71,054	-	(2,209,799)	7,096,945
Transfers out	(57,700)	-	-	(5,119,751)	2,209,799	(9,186,509)
Issuance of debt	-	-	-	-	-	45,526,579
Total other financing sources and uses	<u>2,892,356</u>	<u>-</u>	<u>71,054</u>	<u>(5,119,751)</u>	<u>-</u>	<u>43,437,015</u>
Net change in fund balances	(16,128,340)	(112,566)	(1,598,061)	(5,117,935)	-	(28,945,438)
Fund balances, beginning of year	69,445,411	1,516,223	8,615,513	5,264,473	-	149,228,450
Fund balances, end of year	<u>\$ 53,317,071</u>	<u>\$ 1,403,657</u>	<u>\$ 7,017,452</u>	<u>\$ 146,538</u>	<u>\$ -</u>	<u>\$ 120,283,012</u>

**SCHEDULE OF REVENUES AND EXPENDITURES
 COMPARED WITH BUDGET
 STREET IMPROVEMENT FUND
 For the Fiscal Year Ended June 30, 2021**

	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total</u>	<u>Budget</u>	<u>Over (Under) Budget</u>
REVENUES					
Intergovernmental:					
State of North Carolina	\$ 23,952,005	\$ 584,295	\$ 24,536,300	\$ 30,704,203	\$ (6,167,903)
Other	-	-	-	537,500	(537,500)
Developer participation	-	-	-	1,312,744	(1,312,744)
Assessments	-	1,953,548	1,953,548	5,383,091	(3,429,543)
Gain (loss) on investments	-	-	-	2,169,190	(2,169,190)
Inspections	-	-	-	2,200,000	(2,200,000)
Miscellaneous other	-	8,627	8,627	6,160,788	(6,152,161)
Total revenues	<u>23,952,005</u>	<u>2,546,470</u>	<u>26,498,475</u>	<u>48,467,516</u>	<u>(21,969,041)</u>
OTHER FINANCING SOURCES					
Transfers from:					
General fund	76,630,512	3,000,000	79,630,512	79,630,512	-
Street bond fund	1,496,000	-	1,496,000	1,496,000	-
Sidewalk fund	1,250,573	-	1,250,573	1,250,573	-
Facility fees fund	23,632,609	1,245,000	24,877,609	24,877,609	-
Total other financing sources	<u>103,009,694</u>	<u>4,245,000</u>	<u>107,254,694</u>	<u>107,254,694</u>	<u>-</u>
Total revenues and other financing sources	<u>\$ 126,961,699</u>	<u>\$ 6,791,470</u>	<u>\$ 133,753,169</u>	155,722,210	<u>\$ (21,969,041)</u>
Fund balance appropriated				6,289,399	
				<u>\$ 162,011,609</u>	
EXPENDITURES					
Public infrastructure	\$ 99,250,313	\$ 13,134,925	\$ 112,385,238	\$ 160,875,753	\$ (48,490,515)
OTHER FINANCING USES					
Transfers to:					
Grants fund	16,476	-	16,476	16,476	-
Streets fund	-	9,355	9,355	9,355	-
Mass transit fund	1,110,025	-	1,110,025	1,110,025	-
Total other financing uses	<u>1,126,501</u>	<u>9,355</u>	<u>1,135,856</u>	<u>1,135,856</u>	<u>-</u>
Total expenditures and other financing uses	<u>\$ 100,376,814</u>	<u>\$ 13,144,280</u>	<u>\$ 113,521,094</u>	<u>\$ 162,011,609</u>	<u>\$ (48,490,515)</u>

**SCHEDULE OF REVENUES AND EXPENDITURES
COMPARED WITH BUDGET
STREET BOND FUND**

For the Fiscal Year Ended June 30, 2021

	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total</u>	<u>Budget</u>	<u>Over (Under) Budget</u>
REVENUES					
Intergovernmental:					
State of North Carolina	\$ 4,034,785	\$ -	\$ 4,034,785	\$ 2,829,862	\$ 1,204,923
Developer participation	2,027,831	1,657,241	3,685,072	1,500,000	2,185,072
Gain (loss) on investments	4,701,485	880	4,702,365	5,198,645	(496,280)
Total revenues	<u>10,764,101</u>	<u>1,658,121</u>	<u>12,422,222</u>	<u>9,528,507</u>	<u>2,893,715</u>
OTHER FINANCING SOURCES					
Transfers from:					
General fund	5,124,630	-	5,124,630	5,124,630	-
Street improvement fund	5,952,559	9,355	5,961,914	5,961,914	-
Park improvement fund	435,344	-	435,344	435,344	-
Facility fees fund	25,834	-	25,834	25,834	-
Miscellaneous capital projects fund	336,000	-	336,000	336,000	-
Note proceeds	1,527,477	-	1,527,477	1,994,631	(467,154)
Issuance of debt	122,947,069	25,695,136	148,642,205	294,452,474	(145,810,269)
Total other financing sources	<u>136,348,913</u>	<u>25,704,491</u>	<u>162,053,404</u>	<u>308,330,827</u>	<u>(146,277,423)</u>
Total revenues and other financing sources	<u>\$ 147,113,014</u>	<u>\$ 27,362,612</u>	<u>\$ 174,475,626</u>	317,859,334	<u>\$ (143,383,708)</u>
Fund balance appropriated				1,212,000	
				<u>\$ 319,071,334</u>	
EXPENDITURES					
Public infrastructure	\$ 139,882,780	\$ 27,811,562	\$ 167,694,342	\$ 317,776,394	\$ (150,082,052)
OTHER FINANCING USES					
Transfers to:					
Mass transit fund	621,381	-	621,381	621,381	-
Park improvement fund	-	43,579	43,579	43,579	-
Street improvement fund	629,980	-	629,980	629,980	-
Total other financing uses	<u>1,251,361</u>	<u>43,579</u>	<u>1,294,940</u>	<u>1,294,940</u>	<u>-</u>
Total expenditures and other financing uses	<u>\$ 141,134,141</u>	<u>\$ 27,855,141</u>	<u>\$ 168,989,282</u>	<u>\$ 319,071,334</u>	<u>\$ (150,082,052)</u>

**SCHEDULE OF REVENUES AND EXPENDITURES
COMPARED WITH BUDGET
SIDEWALK FUND**

For the Fiscal Year Ended June 30, 2021

	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total</u>	<u>Budget</u>	<u>Over (Under) Budget</u>
REVENUES					
Intergovernmental:					
North Carolina Department of Transportation	\$ 21,896	\$ -	\$ 21,896	\$ 260,000	\$ (238,104)
Assessments	2,830,655	9,548	2,840,203	319,394	2,520,809
Miscellaneous other	-	-	-	57,160	(57,160)
Gain (loss) on investments	573,310	-	573,310	179,945	393,365
Total revenues	<u>3,425,861</u>	<u>9,548</u>	<u>3,435,409</u>	<u>816,499</u>	<u>2,618,910</u>
OTHER FINANCING SOURCES					
Transfers from:					
Facilities fees fund	930,800	-	930,800	930,800	-
General fund	6,379,187	-	6,379,187	6,379,187	-
Total other financing sources	<u>7,309,987</u>	<u>-</u>	<u>7,309,987</u>	<u>7,309,987</u>	<u>-</u>
Total revenues and other financing sources	<u>\$ 10,735,848</u>	<u>\$ 9,548</u>	<u>\$ 10,745,396</u>	8,126,486	<u>\$ 2,618,910</u>
Fund balance appropriated				<u>1,050,000</u>	
				<u>\$ 9,176,486</u>	
EXPENDITURES					
Public infrastructure	\$ 5,921,235	\$ 1,198,878	\$ 7,120,113	\$ 9,105,544	\$ (1,985,431)
OTHER FINANCING USES					
Transfers to:					
Street improvement fund	70,942	-	70,942	70,942	-
Total expenditures and other financing uses	<u>\$ 5,992,177</u>	<u>\$ 1,198,878</u>	<u>\$ 7,191,055</u>	<u>\$ 9,176,486</u>	<u>\$ (1,985,431)</u>

**SCHEDULE OF REVENUES AND EXPENDITURES
 COMPARED WITH BUDGET
 PARK IMPROVEMENT FUND
 For the Fiscal Year Ended June 30, 2021**

	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total</u>	<u>Budget</u>	<u>Over (Under) Budget</u>
REVENUES					
Intergovernmental:					
State grants	\$ -	\$ -	\$ -	\$ 200,000	\$ (200,000)
US Department of the Interior	55,132	-	55,132	3,547,600	(3,492,468)
Non-governmental	40,000	-	40,000	40,000	-
Assessments	664,005	175,452	839,457	686,882	152,575
Gain (loss) on investments	136,281	-	136,281	370,890	(234,609)
Facility fees	156,774	74,134	230,908	-	230,908
Fees and charges	684	-	684	684	-
Donations and contributions	232,151	150,000	382,151	90,000	292,151
Miscellaneous other	493,122	1,200	494,322	1,440,649	(946,327)
Total revenues	<u>1,778,149</u>	<u>400,786</u>	<u>2,178,935</u>	<u>6,376,705</u>	<u>(4,197,770)</u>
OTHER FINANCING SOURCES					
Transfers from:					
General fund	23,158,065	1,950,000	25,108,065	25,108,065	-
Facility fees fund	10,350,000	-	10,350,000	10,350,000	-
Risk management fund	100,555	-	100,555	100,555	-
Street bond fund	-	43,579	43,579	43,579	-
Park bond fund	3,203,000	-	3,203,000	3,203,000	-
Total other financing sources	<u>36,811,620</u>	<u>1,993,579</u>	<u>38,805,199</u>	<u>38,805,199</u>	<u>-</u>
Total revenues and other financing sources	<u>\$ 38,589,769</u>	<u>\$ 2,394,365</u>	<u>\$ 40,984,134</u>	45,181,904	<u>\$ (4,197,770)</u>
Fund balance appropriated				1,556,000	
				<u>\$ 46,737,904</u>	
EXPENDITURES					
Leisure services	<u>\$ 18,114,897</u>	<u>\$ 5,912,639</u>	<u>\$ 24,027,536</u>	<u>\$ 46,254,786</u>	<u>\$ (22,227,250)</u>
OTHER FINANCING USES					
Transfers to:					
General fund	2,767	-	2,767	2,767	-
Park bond fund	45,007	-	45,007	45,007	-
Street bond fund	435,344	-	435,344	435,344	-
Total other financing uses	483,118	-	483,118	483,118	-
Total expenditures and other financing uses	<u>\$ 18,598,015</u>	<u>\$ 5,912,639</u>	<u>\$ 24,510,654</u>	<u>\$ 46,737,904</u>	<u>\$ (22,227,250)</u>

**SCHEDULE OF REVENUES AND EXPENDITURES
 COMPARED WITH BUDGET
 FACILITY FEES FUND
 For the Fiscal Year Ended June 30, 2021**

	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total</u>	<u>Budget</u>	<u>Over (Under) Budget</u>
REVENUES					
Facility fees	\$ 6,977,070	\$ 11,364,763	\$ 18,341,833	\$ 6,165,923	\$ 12,175,910
Fund balance appropriated				-	
				<u>\$ 6,165,923</u>	
OTHER FINANCING USES					
Transfers to:					
General fund	\$ -	\$ 4,920,923	\$ 4,920,923	\$ 4,920,923	\$ -
Street improvement fund	-	1,245,000	1,245,000	1,245,000	-
Total other financing uses	<u>\$ -</u>	<u>\$ 6,165,923</u>	<u>\$ 6,165,923</u>	<u>\$ 6,165,923</u>	<u>\$ -</u>

**SCHEDULE OF REVENUES AND EXPENDITURES
 COMPARED WITH BUDGET
 PARK BOND FUND
 For the Fiscal Year Ended June 30, 2021**

	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total</u>	<u>Budget</u>	<u>Over (Under) Budget</u>
REVENUES					
Intergovernmental:					
State of North Carolina	\$ 70,312	\$ -	\$ 70,312	\$ 295,312	\$ (225,000)
Gain (loss) on investments	70,288	588	70,876	-	70,876
Donations and contributions	2,823,514	1,253,145	4,076,659	6,642,998	(2,566,339)
Miscellaneous other	315,155	-	315,155	450,000	(134,845)
Total revenues	<u>3,279,269</u>	<u>1,253,733</u>	<u>4,533,002</u>	<u>7,388,310</u>	<u>(2,855,308)</u>
OTHER FINANCING SOURCES					
Transfers from:					
General fund	320,200	-	320,200	320,200	-
Misc capital improvement fund	-	37,700	37,700	37,700	-
Issuance of debt	112,386,319	19,831,443	132,217,762	163,689,779	(31,472,017)
Premium on issuance of debt	2,781,558	-	2,781,558	2,781,558	-
Total other financing sources	<u>115,488,077</u>	<u>19,869,143</u>	<u>135,357,220</u>	<u>166,829,237</u>	<u>(31,472,017)</u>
Total revenues and other financing sources	<u>\$ 118,767,346</u>	<u>\$ 21,122,876</u>	<u>\$ 139,890,222</u>	<u>174,217,547</u>	<u>\$ (34,327,325)</u>
Fund balance appropriated				<u>2,850,000</u>	
				<u>\$ 177,067,547</u>	
EXPENDITURES					
Leisure services	<u>\$ 115,453,769</u>	<u>\$ 20,757,309</u>	<u>\$ 136,211,078</u>	<u>\$ 173,864,547</u>	<u>\$ (37,653,469)</u>
OTHER FINANCING USES					
Transfers to:					
Park improvement fund	<u>3,203,000</u>	<u>-</u>	<u>3,203,000</u>	<u>3,203,000</u>	<u>-</u>
Total expenditures and other financing uses	<u>\$ 118,656,769</u>	<u>\$ 20,757,309</u>	<u>\$ 139,414,078</u>	<u>\$ 177,067,547</u>	<u>\$ (37,653,469)</u>

**SCHEDULE OF REVENUES AND EXPENDITURES
COMPARED WITH BUDGET
MISCELLANEOUS CAPITAL IMPROVEMENTS FUND
For the Fiscal Year Ended June 30, 2021**

	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total</u>	<u>Budget</u>	<u>Over (Under) Budget</u>
REVENUES					
Intergovernmental:					
Federal Railroad Authority	\$ 32,948,800	\$ -	\$ 32,948,800	\$ 32,948,800	\$ -
State of North Carolina	9,000,000	-	9,000,000	9,000,000	-
Other local	3,040,000	63,665	3,103,665	3,103,665	-
Project revenue (non-grant)	6,573,595	-	6,573,595	7,050,000	(476,405)
Gain (loss) on investments	278,497	14,197	292,694	993,255	(700,561)
Other fees and charges	-	5,562	5,562	-	5,562
Licenses	-	79,352	79,352	80,000	(648)
Miscellaneous other	262,125	175,000	437,125	198,734	238,391
Total revenues	<u>52,103,017</u>	<u>337,776</u>	<u>52,440,793</u>	<u>53,374,454</u>	<u>(933,661)</u>
OTHER FINANCING SOURCES					
Transfers from:					
General fund	54,769,734	2,075,891	56,845,625	56,845,625	-
Street bond fund	10,644,806	-	10,644,806	10,644,806	-
Raleigh Union Station fund	45,000	-	45,000	45,000	-
Misc capital project fund	523,533	-	523,533	523,533	-
Stormwater utility capital project fund	290,000	-	290,000	290,000	-
Major public facilities fund	1,700,000	874,165	2,574,165	2,574,165	-
Issuance of debt	61,118,576	-	61,118,576	72,632,976	(11,514,400)
Premium on bonds	7,250,072	-	7,250,072	869,533	6,380,539
Gain (loss) on sale of property	9,488,050	-	9,488,050	7,742,823	1,745,227
Total other financing sources	<u>145,829,771</u>	<u>2,950,056</u>	<u>148,779,827</u>	<u>152,168,461</u>	<u>(3,388,634)</u>
Total revenues and other financing sources	<u>\$ 197,932,788</u>	<u>\$ 3,287,832</u>	<u>\$ 201,220,620</u>	205,542,915	<u>\$ (4,322,295)</u>
Fund balance appropriated				<u>17,747,920</u>	
				<u>\$ 223,290,835</u>	
EXPENDITURES					
General government	\$ 1,425,541	\$ -	\$ 1,425,541	\$ 2,455,874	\$ (1,030,333)
Community development	5,830,677	26,151	5,856,828	5,876,250	(19,422)
Public infrastructure	82,988,852	7,756,227	90,745,079	120,368,887	(29,623,808)
Public safety	37,137,497	11,576,094	48,713,591	93,427,314	(44,713,723)
Total expenditures	<u>127,382,567</u>	<u>19,358,472</u>	<u>146,741,039</u>	<u>222,128,325</u>	<u>(75,387,286)</u>
OTHER FINANCING USES					
Transfers to:					
Street bond fund	336,000	-	336,000	336,000	-
Raleigh Union Station fund	523,533	-	523,533	523,533	-
Misc capital project fund	45,000	-	45,000	45,000	-
General fund	105,000	-	105,000	105,000	-
Solid waste operations fund	30,200	-	30,200	30,200	-
Park bond fund	-	37,700	37,700	37,700	-
Stormwater utility capital projects fund	51,300	-	51,300	51,300	-
Grants fund	13,777	20,000	33,777	33,777	-
Total other financing uses	<u>1,104,810</u>	<u>57,700</u>	<u>1,162,510</u>	<u>1,162,510</u>	<u>-</u>
Total expenditures and other financing uses	<u>\$ 128,487,377</u>	<u>\$ 19,416,172</u>	<u>\$ 147,903,549</u>	<u>\$ 223,290,835</u>	<u>\$ (75,387,286)</u>

**SCHEDULE OF REVENUES AND EXPENDITURES
 COMPARED WITH BUDGET
 WALNUT CREEK AMPHITHEATER PROJECTS FUND
 For the Fiscal Year Ended June 30, 2021**

	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total</u>	<u>Budget</u>	<u>Over (Under) Budget</u>
REVENUES					
Rents	\$ 1,719,282	\$ -	\$ 1,719,282	\$ 67,362	\$ 1,651,920
Other fees and charges	374,394	-	374,394	-	374,394
Total revenues	<u>\$ 2,093,676</u>	<u>\$ -</u>	<u>\$ 2,093,676</u>	67,362	<u>\$ 2,026,314</u>
Fund balance appropriated				1,090,000	
				<u>\$ 1,157,362</u>	
EXPENDITURES					
Leisure services	<u>\$ 577,453</u>	<u>\$ 112,566</u>	<u>\$ 690,019</u>	<u>\$ 1,157,362</u>	<u>\$ (467,343)</u>

**SCHEDULE OF REVENUES AND EXPENDITURES
 COMPARED WITH BUDGET
 TECHNOLOGY CAPITAL PROJECTS FUND
 For the Fiscal Year Ended June 30, 2021**

	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total</u>	<u>Budget</u>	<u>Over (Under) Budget</u>
REVENUES					
Gain (loss) on investments	\$ 2,129,859	\$ -	\$ 2,129,859	\$ -	\$ 2,129,859
OTHER FINANCING SOURCES					
Transfers from:					
Convention center complex fund	405,613	-	405,613	405,613	-
General fund	13,925,332	71,054	13,996,386	13,996,386	-
Community development fund	10,346	-	10,346	10,346	-
Mass transit fund	43,119	-	43,119	43,119	-
Parking fund	103,942	-	103,942	103,942	-
Solid waste services fund	787,586	-	787,586	787,586	-
Stormwater fund	695,674	-	695,674	695,674	-
Vehicle fleet services fund	291,100	-	291,100	291,100	-
Water and sewer fund	5,740,527	-	5,740,527	5,740,527	-
Total other financing sources	<u>22,003,239</u>	<u>71,054</u>	<u>22,074,293</u>	<u>22,074,293</u>	<u>-</u>
Total revenues and other financing sources	<u>\$ 24,133,098</u>	<u>\$ 71,054</u>	<u>\$ 24,204,152</u>	<u>22,074,293</u>	<u>\$ 2,129,859</u>
Fund balance appropriated				<u>1,769,520</u>	
				<u>\$ 23,843,813</u>	
EXPENDITURES					
General government	<u>\$ 15,517,585</u>	<u>\$ 1,669,115</u>	<u>\$ 17,186,700</u>	<u>\$ 23,843,813</u>	<u>\$ (6,657,113)</u>

**SCHEDULE OF REVENUES AND EXPENDITURES
 COMPARED WITH BUDGET
 MAJOR PUBLIC FACILITIES FUND
 For the Fiscal Year Ended June 30, 2021**

	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total</u>	<u>Budget</u>	<u>Over (Under) Budget</u>
REVENUES					
Intergovernmental:					
American Recovery and Reinvestment Act	\$ 119,218	\$ -	\$ 119,218	\$ 119,218	\$ -
Gain (loss) on investments	81,423	1,816	83,239	-	83,239
Total revenues	<u>200,641</u>	<u>1,816</u>	<u>202,457</u>	<u>119,218</u>	<u>83,239</u>
OTHER FINANCING SOURCES					
Issuance of debt	83,732,997	-	83,732,997	84,555,124	(822,127)
Premium on issuance of debt	5,849,718	-	5,849,718	5,849,718	-
Total other financing sources	<u>89,582,715</u>	<u>-</u>	<u>89,582,715</u>	<u>90,404,842</u>	<u>(822,127)</u>
Total revenues and other financing sources	<u>\$ 89,783,356</u>	<u>\$ 1,816</u>	<u>\$ 89,785,172</u>	<u>\$ 90,524,060</u>	<u>\$ (738,888)</u>
EXPENDITURES					
Public infrastructure	\$ 84,018,883	\$ -	\$ 84,018,883	\$ 84,697,555	\$ (678,672)
Total expenditures	<u>84,018,883</u>	<u>-</u>	<u>84,018,883</u>	<u>84,697,555</u>	<u>(678,672)</u>
OTHER FINANCING USES					
Transfers to:					
Raleigh Union Station fund	500,000	-	500,000	500,000	-
Debt Service fund	-	3,311,953	3,311,953	3,311,953	-
Miscellaneous capital projects fund	-	874,165	874,165	1,080,919	(206,754)
SWS Debt Service fund	-	933,633	933,633	933,633	-
Total other financing uses	<u>500,000</u>	<u>5,119,751</u>	<u>5,619,751</u>	<u>5,826,505</u>	<u>(206,754)</u>
Total expenditures and other financing uses	<u>\$ 84,518,883</u>	<u>\$ 5,119,751</u>	<u>\$ 89,638,634</u>	<u>\$ 90,524,060</u>	<u>\$ (885,426)</u>

Enterprise Funds

Enterprise Funds are a subclassification of the proprietary fund types and are used to account for operations:

- (a) that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs of providing goods or services to the general public be recovered through user charges; or,
- (b) where the governing body has decided that periodic determinations of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

The City's enterprise fund operations include water and sewer utility, convention center complex, mass transit, stormwater utility, parking facilities and solid waste services.

Enterprise Funds

Water and Sewer Fund (major fund)

The Water and Sewer Fund accounts for operating and capital costs associated with the City's water and sewer operations. This fund combines the Water and Sewer Operating Fund, the Water Capital Projects Fund, the Sewer Capital Projects Fund and the Water and Sewer Revenue Bond Fund.

Convention Center Complex Fund (major fund)

The Convention Center Complex Fund accounts for the operating and capital costs at the City's convention center and performing arts complex. This fund combines the Convention Center and Performing Arts Complex Operating Fund, the Convention Center and Performing Arts Projects Fund and the Convention Center Complex Capital Projects Fund.

Mass Transit Fund (major fund)

The Mass Transit Fund accounts for user charges, fees, federal contributions and all operating costs associated with the operation of the transit system in the City. This fund also accounts for all capital projects financed by transit grant proceeds.

Stormwater Utility Fund (major fund)

The Stormwater Utility Fund accounts for operating and capital costs associated with the City's stormwater management program. This fund combines the Stormwater Utility Operating Fund, the Stormwater Utility Capital Projects Fund and the Stormwater Utility Bond Fund.

Parking Facilities Fund (major fund)

The Parking Facilities Fund accounts for parking fee charges and all operating costs associated with City-owned off-street and on-street parking facilities. This fund combines the Parking Facilities Operating Fund and the Parking Facilities Capital Projects Fund.

Solid Waste Services Fund (major fund)

The Solid Waste Services Fund accounts for operating and capital costs associated with the City's residential solid waste and recycling program. This fund also accounts for the City's landfill post closure liability.

Schedule of Revenues and Expenditures - Budget (Modified Accrual Basis) and Actual Enterprise Funds

The following schedules present the results of operations for all individual enterprise funds on the modified accrual basis for comparison to the legally adopted budgets for each fund. For GAAP purposes the individual funds are consolidated into the three funds shown in basic financial statements and the two funds shown in the preceding combining financial statements. A reconciliation of the modified accrual basis to the full accrual basis (per generally accepted accounting principles) follows each schedule or group of schedules.

**SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET (MODIFIED ACCRUAL BASIS) AND ACTUAL
WATER AND SEWER OPERATING FUND**

For the Fiscal Year Ended June 30, 2021

	<u>Actual</u>	<u>Budget</u>	<u>Over (Under) Budget</u>
REVENUES			
Water and sewer user charges	\$ 221,483,846	\$ 218,681,607	\$ 2,802,239
Water infrastructure replacement	4,940,974	5,000,000	(59,026)
Sewer infrastructure replacement	13,616,496	13,500,000	116,496
Watershed protection fees	2,376,666	2,250,000	126,666
Capital facility fees	21,207,106	15,600,000	5,607,106
Other operating revenues	7,327,087	6,069,477	1,257,610
Total operating revenues	<u>270,952,175</u>	<u>261,101,084</u>	<u>9,851,091</u>
NONOPERATING REVENUES			
Gain (loss) on investments	10,370,493	3,437,767	6,932,726
Gain (loss) on disposal of capital assets	37,159	-	37,159
Other nonoperating revenues	58,766	30,000	28,766
Total nonoperating revenues	<u>10,466,418</u>	<u>3,467,767</u>	<u>6,998,651</u>
OTHER FINANCING SOURCES			
Transfer from:			
Solid waste services fund	90,000	90,000	-
Total other financing sources	<u>90,000</u>	<u>90,000</u>	<u>-</u>
Total revenues and other financing sources	<u>\$ 281,508,593</u>	264,658,851	<u>\$ 16,849,742</u>
Fund balance appropriated		<u>41,202,286</u>	
		<u>\$ 305,861,137</u>	
EXPENDITURES			
Public utilities:			
Administration	\$ 9,888,447	\$ 12,075,010	\$ (2,186,563)
Capital improvements management	4,971,925	5,145,807	(173,882)
Water plant	22,071,802	26,914,945	(4,843,143)
Waste treatment plant	24,095,820	30,037,834	(5,942,014)
Utility billing	8,713,360	10,073,338	(1,359,978)
Sewer maintenance	12,131,144	13,999,394	(1,868,250)
Water distribution	11,602,344	12,770,255	(1,167,911)
Meter operations	5,508,311	6,423,100	(914,789)
	<u>98,983,153</u>	<u>117,439,683</u>	<u>(18,456,530)</u>

Continued

**SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET (MODIFIED ACCRUAL BASIS) AND ACTUAL
WATER AND SEWER OPERATING FUND**

For the Fiscal Year Ended June 30, 2021

	<u>Actual</u>	<u>Budget</u>	<u>Over (Under) Budget</u>
EXPENDITURES (CONTINUED)			
Special appropriations:			
Reimbursement to general fund	\$ 9,627,232	\$ 9,627,232	\$ -
Insurance and risk management charges	4,666,930	4,697,958	(31,028)
Other expenditures	896,101	6,005,783	(5,109,682)
	<u>15,190,263</u>	<u>20,330,973</u>	<u>(5,140,710)</u>
Debt service:			
Revenue bonds:			
Principal	30,905,000	30,905,000	-
Interest	23,083,545	23,128,481	(44,936)
Installment financing agreements:			
Principal	4,657,225	4,660,000	(2,775)
Interest	1,282,267	1,290,000	(7,733)
Escrow expenditures - merged systems' debt	638,326	652,000	(13,674)
Other expenditures	656,667	1,325,000	(668,333)
Total nonoperating expenditures	<u>61,223,030</u>	<u>61,960,481</u>	<u>(737,451)</u>
Total expenditures	<u>175,396,446</u>	<u>199,731,137</u>	<u>(24,334,691)</u>
OTHER FINANCING USES			
Transfers to:			
Water capital projects fund	53,540,000	53,540,000	-
Sewer capital projects fund	52,300,000	52,300,000	-
Solid waster services operating fund	145,000	290,000	(145,000)
Total other financing uses	<u>105,985,000</u>	<u>106,130,000</u>	<u>(145,000)</u>
Total expenditures and other financing uses	<u>\$ 281,381,446</u>	<u>\$ 305,861,137</u>	<u>\$ (24,479,691)</u>

**SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET (MODIFIED ACCRUAL BASIS) AND ACTUAL
WATER CAPITAL PROJECTS FUND
For the Fiscal Year Ended June 30, 2021**

	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total</u>	<u>Budget</u>	<u>Over (Under) Budget</u>
REVENUES					
Gain (loss) on investments	\$ -	\$ (1,332,914)	\$ (1,332,914)	\$ -	\$ (1,332,914)
OTHER FINANCING SOURCES					
Transfers from:					
Water and sewer operating fund	185,827,035	53,540,000	239,367,035	234,867,320	4,499,715
Street bond fund	146,123	-	146,123	146,123	-
Total other financing sources	<u>185,973,158</u>	<u>53,540,000</u>	<u>239,513,158</u>	<u>235,013,443</u>	<u>4,499,715</u>
Total revenues and other financing sources	<u>\$ 185,973,158</u>	<u>\$ 52,207,086</u>	<u>\$ 238,180,244</u>	235,013,443	<u>\$ 3,166,801</u>
Fund balance appropriated				911,000	
				<u>\$ 235,924,443</u>	
EXPENDITURES					
Water capital projects	<u>\$ 106,046,183</u>	<u>\$ 23,865,161</u>	<u>\$ 129,911,344</u>	<u>\$ 235,496,423</u>	<u>\$ (105,585,079)</u>
OTHER FINANCING USES					
Transfer to:					
Public utilities equipment replacement fund	428,020	-	428,020	428,020	-
Total expenditures and other financing uses	<u>\$ 106,474,203</u>	<u>\$ 23,865,161</u>	<u>\$ 130,339,364</u>	<u>\$ 235,924,443</u>	<u>\$ (105,585,079)</u>

**SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET (MODIFIED ACCRUAL BASIS) AND ACTUAL
SEWER CAPITAL PROJECTS FUND
For the Fiscal Year Ended June 30, 2021**

	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total</u>	<u>Budget</u>	<u>Over (Under) Budget</u>
REVENUES					
Gain (loss) on investments	\$ 6,183,444	\$ (2,753,894)	\$ 3,429,550	\$ -	\$ 3,429,550
Insurance proceeds	2,220,375	-	2,220,375	-	2,220,375
Developer participation	289,787	-	289,787	-	289,787
Total revenues	<u>8,693,606</u>	<u>(2,753,894)</u>	<u>5,939,712</u>	<u>-</u>	<u>5,939,712</u>
OTHER FINANCING SOURCES					
Transfers from:					
Water and sewer operating fund	<u>301,887,576</u>	<u>52,300,000</u>	<u>354,187,576</u>	<u>349,356,323</u>	<u>4,831,253</u>
Total revenues and other financing sources	<u>\$ 310,581,182</u>	<u>\$ 49,546,106</u>	<u>\$ 360,127,288</u>	349,356,323	<u>\$ 10,770,965</u>
Fund balance appropriated				<u>6,800,000</u>	
				<u>\$ 356,156,323</u>	
EXPENDITURES					
Sewer capital projects	<u>\$ 149,444,403</u>	<u>\$ 44,931,626</u>	<u>\$ 194,376,029</u>	<u>\$ 356,156,323</u>	<u>\$ (161,780,294)</u>

**SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET (MODIFIED ACCRUAL BASIS) AND ACTUAL
WATER AND SEWER REVENUE BOND FUND
For the Fiscal Year Ended June 30, 2021**

	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total</u>	<u>Budget</u>	<u>Over (Under) Budget</u>
REVENUES					
Intergovernmental:					
N.C. Department of Natural Resources	\$ 83,253,636	\$ 36,155,086	\$ 119,408,722	\$ 127,093,026	\$ (7,684,304)
N.C. Department of Transportation	-	15,250	15,250	-	15,250
Gain (loss) on investments	-	(263,651)	(263,651)	-	(263,651)
Total revenues	<u>83,253,636</u>	<u>35,906,685</u>	<u>119,160,321</u>	<u>127,093,026</u>	<u>(7,932,705)</u>
OTHER FINANCING SOURCES					
Issuance of debt	<u>268,985,515</u>	<u>30,100,000</u>	<u>299,085,515</u>	<u>717,727,327</u>	<u>(418,641,812)</u>
Total revenues and other financing sources	<u>\$ 352,239,151</u>	<u>\$ 66,006,685</u>	<u>\$ 418,245,836</u>	844,820,353	<u>\$ (426,574,517)</u>
Fund balance appropriated				1,000,000	
				<u>\$ 845,820,353</u>	
EXPENDITURES					
Water capital projects	\$ 60,141,280	\$ 11,261,842	\$ 71,403,122	\$ 179,194,576	\$ (107,791,454)
Sewer capital projects	284,104,551	68,619,779	352,724,330	666,625,777	(313,901,447)
Total expenditures	<u>\$ 344,245,831</u>	<u>\$ 79,881,621</u>	<u>\$ 424,127,452</u>	<u>\$ 845,820,353</u>	<u>\$ (421,692,901)</u>

**SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET (MODIFIED ACCRUAL BASIS) AND ACTUAL
WATER AND SEWER FUNDS
For the Fiscal Year Ended June 30, 2021**

RECONCILIATION OF MODIFIED ACCRUAL BASIS TO FULL ACCRUAL BASIS:

Total current year revenues and other financing sources - modified accrual basis:	
Water and sewer operating fund	\$ 281,508,593
Water capital projects fund	52,207,086
Sewer capital projects fund	49,546,106
Water and sewer revenue bond fund	<u>66,006,685</u>
Total current year expenditures and other financing uses - modified accrual basis:	
Water and sewer operating fund	(281,381,446)
Water capital projects fund	(23,865,161)
Sewer capital projects fund	(44,931,626)
Water and sewer revenue bond fund	<u>(79,881,621)</u>
Excess of revenues and other financing sources over expenditures and other financing uses	19,208,616
Adjustments to full accrual basis:	
Amortization of deferred refunding charges	(1,235,155)
Amortization of bond premiums and discounts	2,362,134
Bond and note proceeds	(66,255,086)
Bond and note principal payments	35,562,225
Capital contributions	18,067,252
Capital outlay	149,105,804
Depreciation	(42,581,125)
Interest expense accrual	(1,169,038)
Vacation expense	(258,373)
Increase (decrease) in deferred outflows of resources - LGERS	755,018
(Increase) decrease in deferred inflows of resources - LGERS	(149,835)
(Increase) decrease in net pension liability - LGERS	(4,379,315)
Increase (decrease) in deferred outflows of resources - OPEB	1,033,507
(Increase) decrease in deferred inflows of resources - OPEB	418,503
(Increase) decrease in net pension liability - OPEB	147,551
Revenue accruals from receivables	<u>16,964</u>
Change in net position per statement of revenues, expenses and changes in fund net position	<u>\$ 110,649,647</u>

**SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET (MODIFIED ACCRUAL BASIS) AND ACTUAL
CONVENTION CENTER AND PERFORMING ARTS COMPLEX OPERATING FUND
For the Fiscal Year Ended June 30, 2021**

	<u>Actual</u>	<u>Budget</u>	<u>Over (Under) Budget</u>
REVENUES			
User charges:			
Convention and civic center	\$ 301,345	\$ 4,432,133	\$ (4,130,788)
Performing arts center	1,493,277	4,196,559	(2,703,282)
Red Hat amphitheater	238,909	1,854,347	(1,615,438)
Special events	1,827	313,279	(311,452)
Total user charges	<u>2,035,358</u>	<u>10,796,318</u>	<u>(8,760,960)</u>
Miscellaneous Other	709,330	1,316,420	(607,090)
Gain (loss) on investments	8,283	17,005	(8,722)
Total revenues	<u>2,752,971</u>	<u>12,129,743</u>	<u>(9,376,772)</u>
OTHER FINANCING SOURCES			
Transfers from:			
General fund	4,872,802	4,872,802	-
Convention center financing fund	20,519,091	22,213,323	(1,694,232)
Total other financing sources	<u>25,391,893</u>	<u>27,086,125</u>	<u>(1,694,232)</u>
Total revenues and other financing sources	<u>\$ 28,144,864</u>	39,215,868	<u>\$ (11,071,004)</u>
Fund balance appropriated		<u>2,978,258</u>	
		<u>\$ 42,194,126</u>	
EXPENDITURES			
Civic and convention center	\$ 7,176,330	\$ 10,820,662	\$ (3,644,332)
Performing arts center	4,274,975	7,910,309	(3,635,334)
Red Hat amphitheater	845,035	2,692,912	(1,847,877)
Special events	47,847	458,102	(410,255)
Total operating expenditures	<u>12,344,187</u>	<u>21,881,985</u>	<u>(9,537,798)</u>
DEBT SERVICE			
Principal	10,530,735	10,530,735	-
Interest	6,428,116	8,182,906	(1,754,790)
Other debt service costs	1,076,220	1,598,500	(522,280)
Total debt service	<u>18,035,071</u>	<u>20,312,141</u>	<u>(2,277,070)</u>
Total expenditures and other financing uses	<u>\$ 30,379,258</u>	<u>\$ 42,194,126</u>	<u>\$ (11,814,868)</u>

**SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET (MODIFIED ACCRUAL BASIS) AND ACTUAL
CONVENTION AND PERFORMING ARTS COMPLEX PROJECTS FUND
For the Fiscal Year Ended June 30, 2021**

	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total</u>	<u>Budget</u>	<u>Over (Under) Budget</u>
OTHER FINANCING SOURCES					
Note proceeds	\$ 4,090,708	\$ -	\$ 4,090,708	\$ 4,349,017	\$ (258,309)
Bond proceeds	9,147,202	-	9,147,202	10,584,201	(1,436,999)
Premium on bonds	905,182	-	905,182	728,559	176,623
Miscellaneous revenues	1,259,094	-	1,259,094	250,000	1,009,094
Gain (loss) on investments	97,023	-	97,023	22,820	74,203
Donations and contributions	1,175,275	-	1,175,275	571,530	603,745
Transfers from:					
General Fund	3,031,500	-	3,031,500	3,031,500	-
Walnut Creek Amphitheater fund	1,105,000	-	1,105,000	1,105,000	-
Convention center operating fund	3,500,601	-	3,500,601	3,500,601	-
Miscellaneous capital projects fund	118,000	-	118,000	118,000	-
Convention center financing fund	2,500,000	500,000	3,000,000	3,000,000	-
Total revenues and other financing sources	<u>\$ 26,929,585</u>	<u>\$ 500,000</u>	<u>\$ 27,429,585</u>	<u>\$ 27,261,228</u>	<u>\$ 168,357</u>
EXPENDITURES					
Convention center and performing arts complex projects	<u>\$ 21,524,513</u>	<u>\$ 1,844,482</u>	<u>\$ 23,368,995</u>	<u>\$ 27,261,228</u>	<u>\$ (3,892,233)</u>

**SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET (MODIFIED ACCRUAL BASIS) AND ACTUAL
CONVENTION CENTER COMPLEX CAPITAL PROJECTS FUND
For the Fiscal Year Ended June 30, 2021**

	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total</u>	<u>Budget</u>	<u>Over (Under) Budget</u>
REVENUES					
Gain (loss) on investments	\$ 530,509	\$ -	\$ 530,509	\$ -	\$ 530,509
Miscellaneous other	99,451	-	99,451	-	99,451
Total revenues	<u>629,960</u>	<u>-</u>	<u>629,960</u>	<u>-</u>	<u>629,960</u>
OTHER FINANCING SOURCES					
Transfers from:					
Convention center financing fund	<u>26,909,133</u>	<u>2,000,000</u>	<u>28,909,133</u>	<u>29,356,115</u>	<u>(446,982)</u>
Total revenues and other financing sources	<u>\$ 27,539,093</u>	<u>\$ 2,000,000</u>	<u>\$ 29,539,093</u>	<u>29,356,115</u>	<u>\$ 182,978</u>
Fund balance appropriated				<u>764,247</u>	
				<u>\$ 30,120,362</u>	
EXPENDITURES					
Convention center projects	<u>\$ 19,338,683</u>	<u>\$ 811,275</u>	<u>\$ 20,149,958</u>	<u>\$ 30,120,362</u>	<u>\$ (9,970,404)</u>

**SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET (MODIFIED ACCRUAL BASIS) AND ACTUAL
CONVENTION CENTER FUNDS
For the Fiscal Year Ended June 30, 2021**

RECONCILIATION OF MODIFIED ACCRUAL BASIS TO FULL ACCRUAL BASIS:

Total current year revenues and other financing sources - modified accrual basis		
Convention center and performing arts complex operating fund	\$	28,144,864
Convention center and performing arts complex projects fund		500,000
Convention center complex capital projects fund		2,000,000
Total current expenditures and other financing uses - modified accrual basis		
Convention center and performing arts complex operating fund		(30,379,258)
Convention center and performing arts complex projects fund		(1,844,482)
Convention center complex capital projects fund		<u>(811,275)</u>
Deficiency of revenues and other financing sources under expenditures and other financing uses		(2,390,151)
Adjustments to full accrual basis:		
Amortization of deferred refunding charges		(3,946)
Amortization of premiums and discounts		117,881
Bond and note principal payments		10,530,735
Capital outlay		2,588,698
Depreciation		(7,470,411)
Interest expense accrual		646,370
Increase (decrease) in deferred outflows of resources - LGERS		132,099
(Increase) decrease in deferred inflows of resources - LGERS		(26,216)
(Increase) decrease in pension liability - LGERS		(766,215)
Increase (decrease) in deferred outflows of resources - OPEB		180,825
(Increase) decrease in deferred inflows of resources - OPEB		73,222
(Increase) decrease in pension liability - OPEB		25,815
Vacation expense		<u>153,752</u>
Change in net position per statement of revenues, expenses and changes in net position	\$	<u>3,792,458</u>

**SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET (MODIFIED ACCRUAL BASIS) AND ACTUAL
MASS TRANSIT FUND
For the Fiscal Year Ended June 30, 2021**

	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total</u>	<u>Budget</u>	<u>Over (Under) Budget</u>
REVENUES					
Farebox	\$ -	\$ 1,469,162	\$ 1,469,162	\$ 3,908,262	\$ (2,439,100)
ART program fees	-	38,638	38,638	903,617	(864,979)
Intergovernmental revenue:					
Federal Transit Administration	44,630,030	8,036,129	52,666,159	74,743,682	(22,077,523)
State of North Carolina	1,757,857	(736,134)	1,021,723	2,931,622	(1,909,899)
City of Raleigh	-	242,920	242,920	-	242,920
Wake Transit	23,926,898	20,517,714	44,444,612	114,165,062	(69,720,450)
NC DENR	-	200,000	200,000	200,000	-
Miscellaneous other	-	286,245	286,245	150,000	136,245
Total revenues	<u>70,314,785</u>	<u>30,054,674</u>	<u>100,369,459</u>	<u>197,002,245</u>	<u>(96,632,786)</u>
OTHER FINANCING SOURCES					
Gain (loss) on disposal of capital assets	-	22,059	22,059	-	22,059
Transfers from:					
General fund	1,546,688	17,005,170	18,551,858	21,615,808	(3,063,950)
Street bond fund	219,000	-	219,000	469,000	(250,000)
Street improvement fund	-	-	-	2,683,447	(2,683,447)
Total other financing sources	<u>1,765,688</u>	<u>17,027,229</u>	<u>18,792,917</u>	<u>24,768,255</u>	<u>(5,975,338)</u>
Total revenues and other financing sources	<u>\$ 72,080,473</u>	<u>\$ 47,081,903</u>	<u>\$ 119,162,376</u>	221,770,500	<u>\$ (102,608,124)</u>
Fund balance appropriated				3,197,019	
				<u>\$ 224,967,519</u>	
EXPENDITURES					
Mass transit operating expenditures	\$ -	\$ 14,317,293	\$ 14,317,293	\$ 27,288,136	\$ (12,970,843)
ART program operating expenditures	-	7,621,203	7,621,203	6,576,451	1,044,752
Capital grant expenditures	50,979,679	6,556,466	57,536,145	111,431,136	(53,894,991)
Wake Transit operating expenditures	-	9,678,758	9,678,758	14,009,360	(4,330,602)
Wake Transit capital expenditures	23,926,898	10,242,505	34,169,403	65,662,436	(31,493,033)
Total expenditures	<u>74,906,577</u>	<u>48,416,225</u>	<u>123,322,802</u>	<u>224,967,519</u>	<u>(101,644,717)</u>
Total expenditures and other financing uses	<u>\$ 74,906,577</u>	<u>\$ 48,416,225</u>	<u>\$ 123,322,802</u>	<u>\$ 224,967,519</u>	<u>\$ (101,644,717)</u>

**SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET (MODIFIED ACCRUAL BASIS) AND ACTUAL
MASS TRANSIT FUND
For the Fiscal Year Ended June 30, 2021**

RECONCILIATION OF MODIFIED ACCRUAL BASIS TO FULL ACCRUAL BASIS:

Total current year revenues and other financing sources - modified accrual basis	\$ 47,081,903
Total current year expenditures and other financing uses - modified accrual basis	<u>(48,416,225)</u>
Deficiency of revenues and other financing sources under expenditures and other financing uses	(1,334,322)
Adjustments to full accrual basis:	
Capital contributions	10,238,246
Capital outlay	6,690,589
Depreciation	(5,312,378)
Increase (decrease) in deferred outflows of resources - LGERS	28,297
Increase in pension liability - LGERS	(204,764)
Increase (decrease) in deferred outflows of resources - OPEB	48,324
(Increase) decrease in deferred inflows of resources - OPEB	19,568
Increase in pension liability - OPEB	6,899
Vacation expense	<u>(28,441)</u>
Change in net position per statement of revenues, expenses, and changes in fund net position	<u>\$ 10,152,018</u>

**SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET (MODIFIED ACCRUAL BASIS) AND ACTUAL
STORMWATER UTILITY OPERATING FUND
For the Fiscal Year Ended June 30, 2021**

	<u>Actual</u>	<u>Budget</u>	<u>Over (Under) Budget</u>
REVENUES			
User charges	\$ 25,718,436	\$ 25,310,711	\$ 407,725
Gain (loss) on investments	-	300,000	(300,000)
Miscellaneous other	60,262	50,000	10,262
Total revenues	<u>25,778,698</u>	<u>25,660,711</u>	<u>117,987</u>
Total revenues and other financing sources	<u>\$ 25,778,698</u>	25,660,711	<u>\$ 117,987</u>
Fund balance appropriated		643,526	
		<u>\$ 26,304,237</u>	
EXPENDITURES			
Operating expenditures	\$ 15,337,709	\$ 19,472,585	\$ (4,134,876)
DEBT SERVICE			
Note principal	<u>101,738</u>	<u>101,738</u>	<u>-</u>
OTHER FINANCING USES			
Transfers to:			
Stormwater utility capital projects fund	6,500,000	6,500,000	-
General fund	229,914	229,914	-
Total other financing uses	<u>6,729,914</u>	<u>6,729,914</u>	<u>-</u>
Total expenditures and other financing uses	<u>\$ 22,169,361</u>	<u>\$ 26,304,237</u>	<u>\$ (4,134,876)</u>

**SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET (MODIFIED ACCRUAL BASIS) AND ACTUAL
STORMWATER UTILITY CAPITAL PROJECTS FUND
For the Fiscal Year Ended June 30, 2021**

	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total</u>	<u>Budget</u>	<u>Over (Under) Budget</u>
REVENUES					
Intergovernmental:					
Federal Emergency Management Agency	\$ 1,047,296	\$ -	\$ 1,047,296	\$ 1,378,317	\$ (331,021)
N.C. Clean Water Management Trust	579,509	15,000	594,509	626,554	(32,045)
Gain (loss) on investments	6,234,938	-	6,234,938	1,804,000	4,430,938
Miscellaneous other	231,463	-	231,463	136,014	95,449
Total revenues	<u>8,093,206</u>	<u>15,000</u>	<u>8,108,206</u>	<u>3,944,885</u>	<u>4,163,321</u>
OTHER FINANCING SOURCES					
Transfer from:					
Stormwater utility operating fund	63,689,743	6,500,000	70,189,743	67,939,743	2,250,000
Raleigh Union Station capital projects fund	51,300	-	51,300	51,300	-
Total other financing sources	<u>63,741,043</u>	<u>6,500,000</u>	<u>70,241,043</u>	<u>67,991,043</u>	<u>2,250,000</u>
Total revenues and other financing sources	<u>\$ 71,834,249</u>	<u>\$ 6,515,000</u>	<u>\$ 78,349,249</u>	71,935,928	<u>\$ 6,413,321</u>
Fund balance appropriated				<u>2,756,000</u>	
				<u>\$ 74,691,928</u>	
EXPENDITURES					
Stormwater capital projects	<u>\$ 40,201,043</u>	<u>\$ 11,595,843</u>	<u>\$ 51,796,886</u>	<u>\$ 74,015,559</u>	<u>\$ (22,218,673)</u>
OTHER FINANCING USES					
Transfer to :					
Raleigh Union Station capital projects fund	<u>676,369</u>	<u>-</u>	<u>676,369</u>	<u>676,369</u>	<u>-</u>
Total expenditures and other financing uses	<u>\$ 40,877,412</u>	<u>\$ 11,595,843</u>	<u>\$ 52,473,255</u>	<u>\$ 74,691,928</u>	<u>\$ (22,218,673)</u>

**SCHEDULE OF REVENUES AND EXPENDITURES
 BUDGET (MODIFIED ACCRUAL BASIS) AND ACTUAL
 STORMWATER UTILITY BOND FUND
 For the Fiscal Year Ended June 30, 2021**

	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total</u>	<u>Budget</u>	<u>Over (Under) Budget</u>
OTHER FINANCING SOURCES					
Transfers from:					
Stormwater utility operating fund	\$ 82,945	\$ -	\$ 82,945	\$ 20,890	\$ 62,055
EXPENDITURES					
Stormwater capital projects	\$ 20,890	\$ -	\$ 20,890	\$ 20,890	\$ -

**SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET (MODIFIED ACCRUAL BASIS) AND ACTUAL
STORMWATER UTILITY FUNDS
For the Fiscal Year Ended June 30, 2021**

RECONCILIATION OF MODIFIED ACCRUAL BASIS TO FULL ACCRUAL BASIS:

Total current year revenues and other financing sources - modified accrual basis		
Stormwater utility operating fund	\$	25,778,698
Stormwater utility capital projects fund		6,515,000
Stormwater utility bond fund		-
 Total current year expenditures and other financing uses - modified accrual basis		
Stormwater utility operating fund		(22,169,361)
Stormwater utility capital projects fund		(11,595,843)
Stormwater utility bond fund		-
		<hr/>
Deficiency of revenues and other financing sources under expenditures and other financing uses		(1,471,506)
 Adjustments to full accrual basis:		
Capital outlay		10,402,629
Depreciation		(3,437,517)
Note principal		101,738
Increase (decrease) in deferred outflows of resources - LGERS		120,489
(Increase) decrease in pension liability - LGERS		(871,899)
Increase (decrease) in deferred outflows of resources - OPEB		205,767
(Increase) decrease in deferred inflows of resources - OPEB		83,322
Increase (decrease) in pension liability - OPEB		29,376
Vacation expense		(55,219)
		<hr/>
 Change in net position per statement of revenues, expenses, and changes in fund net position	\$	<u>5,107,180</u>

**SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET (MODIFIED ACCRUAL BASIS) AND ACTUAL
PARKING FACILITIES OPERATING FUND
For the fiscal year ended June 30, 2021**

	<u>Actual</u>	<u>Budget</u>	<u>Over (Under) Budget</u>
REVENUES			
Parking fees	\$ 10,694,195	\$ 16,609,299	\$ (5,915,104)
Gain (loss) on investments	15,626	23,000	(7,374)
Miscellaneous other	40,125	23,700	16,425
Total revenues	<u>10,749,946</u>	<u>16,655,999</u>	<u>(5,906,053)</u>
OTHER FINANCING SOURCES			
Transfers from:			
General fund	4,000,000	4,000,000	-
Total other financing sources	<u>4,000,000</u>	<u>4,000,000</u>	<u>-</u>
Total revenues and other financing sources	<u>\$ 14,749,946</u>	20,655,999	<u>\$ (5,906,053)</u>
Fund balance appropriated		3,904,432	
		<u>\$ 24,560,431</u>	
EXPENDITURES			
Operating expenditures	<u>\$ 7,503,552</u>	<u>\$ 16,732,953</u>	<u>\$ (9,229,401)</u>
DEBT SERVICE			
Note principal	3,661,382	3,661,382	-
Note interest	1,143,097	2,200,467	(1,057,370)
Other debt service expenditures	149,321	230,000	(80,679)
Total debt service	<u>4,953,800</u>	<u>6,091,849</u>	<u>(1,138,049)</u>
OTHER FINANCING USES			
Transfers to:			
Equipment replacement fund	380,000	380,000	-
General debt service fund	-	578,406	(578,406)
Parking facilities capital projects fund	777,223	777,223	-
Total other financing uses	<u>1,157,223</u>	<u>1,735,629</u>	<u>(578,406)</u>
Total expenditures and other financing uses	<u>\$ 13,614,575</u>	<u>\$ 24,560,431</u>	<u>\$ (10,945,856)</u>

**SCHEDULE OF REVENUES AND EXPENDITURES
 BUDGET (MODIFIED ACCRUAL BASIS) AND ACTUAL
 PARKING FACILITIES CAPITAL PROJECTS FUND
 For the fiscal year ended June 30, 2021**

	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total</u>	<u>Budget</u>	<u>Over (Under) Budget</u>
OTHER FINANCING SOURCES					
Transfer from:					
Parking facilities operating fund	\$ 3,452,502	\$ 777,223	\$ 4,229,725	\$ 7,562,429	\$ (3,332,704)
Total revenues and other financing sources	<u>\$ 3,452,502</u>	<u>\$ 777,223</u>	<u>\$ 4,229,725</u>	7,562,429	<u>\$ (3,332,704)</u>
Fund balance appropriated				3,176,829	
				<u>\$ 10,739,258</u>	
EXPENDITURES					
Parking facilities capital projects	<u>\$ 4,687,589</u>	<u>\$ 614,943</u>	<u>\$ 5,302,532</u>	<u>\$ 10,739,258</u>	<u>\$ (5,436,726)</u>

**SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET (MODIFIED ACCRUAL BASIS) AND ACTUAL
PARKING FACILITIES FUNDS
For the fiscal year ended June 30, 2021**

RECONCILIATION OF MODIFIED ACCRUAL BASIS TO FULL ACCRUAL BASIS:

Total current year revenues and other financing sources - modified accrual basis		
Parking facilities operating fund	\$	14,749,946
Parking facilities capital projects fund		777,223
 Total current year expenditures and other financing uses - modified accrual basis		
Parking facilities operating fund		(13,614,575)
Parking facilities capital projects fund		<u>(614,943)</u>
 Excess of revenues and other financing sources over expenditures and other financing uses		1,297,651
 Adjustments to full accrual basis:		
Accrued interest expense		43,055
Amortization of bond refunding costs		(77,150)
Amortization of premiums and discounts		261,114
Bond and note principal		3,661,382
Capital outlay		614,943
Depreciation		(4,199,437)
Increase (decrease) in deferred outflows of resources - LGERS		43,274
(Increase) decrease in deferred inflows of resources - LGERS		(8,587)
Increase in pension liability - LGERS		(251,002)
Increase (decrease) in deferred outflows of resources - OPEB		59,236
(Increase) decrease in deferred inflows of resources - OPEB		23,987
Decrease in pension liability - OPEB		8,457
Vacation expense		<u>5,011</u>
 Change in net position per statement of revenues, expenses, and changes in fund net position	\$	<u><u>1,481,934</u></u>

**SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET (MODIFIED ACCRUAL BASIS) AND ACTUAL
SOLID WASTE SERVICES FUND
For the Fiscal Year Ended June 30, 2021**

	<u>Actual</u>	<u>Budget</u>	<u>Over (Under) Budget</u>
REVENUES			
Solid waste residential collection	\$ 22,614,128	\$ 22,972,497	\$ (358,369)
Recycling residential collection	11,391,739	10,038,346	1,353,393
Yardwaste center	824,159	625,000	199,159
Miscellaneous other	-	200	(200)
Total revenues	<u>34,830,026</u>	<u>33,636,043</u>	<u>1,193,983</u>
OTHER FINANCING SOURCES			
Other revenue	540,494	555,000	(14,506)
Transfer from:			
Public Utilities	145,000	145,000	-
Major Public Facilities fund	933,634	933,634	-
General fund	7,730,000	7,730,000	-
Total other financing sources	<u>9,349,128</u>	<u>9,363,634</u>	<u>(14,506)</u>
Total revenues and other financing sources	<u>\$ 44,179,154</u>	<u>42,999,677</u>	<u>\$ 1,179,477</u>
Fund balance appropriated		<u>2,647,070</u>	
		<u>\$ 45,646,747</u>	
EXPENDITURES			
Administration	\$ 9,539,268	\$ 11,213,337	\$ (1,674,069)
Residential collection	4,233,944	4,896,422	(662,478)
Residential recycling	19,292,585	21,741,606	(2,449,021)
Yardwaste center	3,969,304	5,701,148	(1,731,844)
	<u>37,035,101</u>	<u>43,552,513</u>	<u>(6,517,412)</u>
DEBT SERVICE			
Note principal	753,697	1,346,983	(593,286)
Note interest	263,623	458,251	(194,628)
	<u>1,017,320</u>	<u>1,805,234</u>	<u>(787,914)</u>
Total expenditures	<u>38,052,421</u>	<u>45,357,747</u>	<u>(7,305,326)</u>
OTHER FINANCING USES			
Transfers to:			
Grants fund	199,000	199,000	-
Public Utilities fund	90,000	90,000	-
Total other financing uses	<u>289,000</u>	<u>289,000</u>	<u>-</u>
Total expenditures and other financing uses	<u>\$ 38,341,421</u>	<u>\$ 45,646,747</u>	<u>\$ (7,305,326)</u>

**SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET (MODIFIED ACCRUAL BASIS) AND ACTUAL
SOLID WASTE SERVICES FUND
For the Fiscal Year Ended June 30, 2021**

RECONCILIATION OF MODIFIED ACCRUAL BASIS TO FULL ACCRUAL BASIS:

Total current year revenues and other financing sources - modified accrual basis	\$ 44,179,154
Total current year expenditures and other financing uses - modified accrual basis	<u>(38,341,421)</u>
Excess of revenues and other financing sources over expenditures and other financing uses	5,837,733
Adjustments to full accrual basis:	
Amortization of refunding charges	(17,614)
Amortization of note premiums and discounts	125,276
Bond and note principal payments	753,697
Capital outlay	16,600
Depreciation	(899,258)
Interest expense accrual	8,724
Landfill closure/postclosure liability adjustment	(1,096,521)
Increase (decrease) in deferred outflows of resources - LGERS	239,146
(Increase) decrease in deferred inflows of resources - LGERS	(47,459)
(Increase) decrease in pension liability - LGERS	(1,387,114)
Increase (decrease) in deferred outflows of resources - OPEB	327,356
(Increase) decrease in deferred inflows of resources - OPEB	132,558
(Increase) decrease in pension liability - OPEB	46,736
Vacation expense	<u>(11,516)</u>
Change in net position per statement of revenues, expenses, and changes in fund net position	<u>\$ 4,028,344</u>

Internal Service Funds

Internal Service Funds are used to account for centralized services provided on a cost-reimbursement basis. The City maintains six internal service funds for its risk management, health benefits, equipment replacement programs, and vehicle fleet services.

Internal Service Funds

Risk Management Fund

The Risk Management Fund accounts for risk management activities of the City, including premiums, claims expenses and loss reserves.

Employees' Health Benefits Fund

The Employees' Health Benefits Fund accounts for the City's and employees' contributions to a medical trust and its related costs, including claims and operating expenses.

Governmental Equipment Replacement Fund

The Governmental Equipment Replacement Fund accounts for the activities related to managing the equipment replacement program for governmental activities.

Solid Waste Services Equipment Replacement Fund

The Solid Waste Services Equipment Replacement Fund accounts for the activities related to managing the City's equipment replacement program for the City's Solid Waste Services Department.

Public Utilities Equipment Replacement Fund

The Public Utilities Equipment Replacement Fund accounts for the activities related to managing the City's equipment replacement program for the City's Public Utilities Department.

Vehicle Fleet Services Fund

The Vehicle Fleet Services Fund accounts for the activities related to the City's central garage operations.

**COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS**

June 30, 2021

	Risk Management Fund	Employees' Health Benefits Fund	Governmental Equipment Replacement Fund	Solid Waste Services Equipment Replacement Fund
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 40,426,058	\$ 19,124,572	\$ 3,926,577	\$ 1,544,023
Accrued interest receivable	237,831	143	-	-
Sales tax receivable	316	18	181,164	97,813
Other receivables	-	1,011,525	-	-
Due from other funds	-	-	-	750,000
Inventories	-	-	-	-
Insurance deposit	420,000	-	-	-
Total current assets	<u>41,084,205</u>	<u>20,136,258</u>	<u>4,107,741</u>	<u>2,391,836</u>
Noncurrent assets:				
Restricted cash and cash equivalents	-	-	18,963,663	12,426,770
Capital assets:				
Buildings and machinery	-	-	-	-
Equipment	-	-	110,972,958	39,583,152
Less: accumulated depreciation	-	-	(81,906,841)	(29,485,069)
Total noncurrent assets	<u>-</u>	<u>-</u>	<u>48,029,780</u>	<u>22,524,853</u>
Total assets	<u>41,084,205</u>	<u>20,136,258</u>	<u>52,137,521</u>	<u>24,916,689</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension deferrals - LGERS	58,530	-	-	-
Pension deferrals - OPEB	20,522	-	-	-
Total deferred outflows of resources	<u>79,052</u>	<u>-</u>	<u>-</u>	<u>-</u>
LIABILITIES				
Current liabilities:				
Accounts payable	116,194	10,196	358,290	52,372
Accrued salaries and employee payroll taxes	12,725	-	-	-
Accrued interest payable	-	-	62,402	20,387
Sales tax payable	-	-	122	-
Claims payable and other liabilities	6,694,350	2,912,000	-	-
Earned vacation pay	13,964	-	-	-
Due to other funds	-	-	750,000	-
Bonds, notes and loans payable	-	-	12,454,111	5,688,385
Total current liabilities	<u>6,837,233</u>	<u>2,922,196</u>	<u>13,624,925</u>	<u>5,761,144</u>
Noncurrent liabilities:				
Claims payable and other liabilities	15,512,173	-	-	-
Bonds, notes and loans payable	-	-	19,726,807	13,854,330
Net pension liability - LGERS	170,857	-	-	-
Net pension liability - OPEB	272,359	-	-	-
Earned vacation pay	17,863	-	-	-
Total noncurrent liabilities	<u>15,973,252</u>	<u>-</u>	<u>19,726,807</u>	<u>13,854,330</u>
Total liabilities	<u>22,810,485</u>	<u>2,922,196</u>	<u>33,351,732</u>	<u>19,615,474</u>
DEFERRED INFLOWS OF RESOURCES				
Pension deferrals - LGERS	5,918	-	-	-
Pension deferrals - OPEB	71,829	-	-	-
Total deferred inflows of resources	<u>77,747</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION				
Net investment in capital assets	-	-	15,848,862	2,982,138
Unrestricted	18,275,025	17,214,062	2,936,927	2,319,077
Total net position	<u>\$ 18,275,025</u>	<u>\$ 17,214,062</u>	<u>\$ 18,785,789</u>	<u>\$ 5,301,215</u>

**COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS**

June 30, 2021

	Public Utilities Equipment Replacement Fund	Vehicle Fleet Services Fund	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 4,838,825	\$ 1,035,644	\$ 70,895,699
Accrued interest receivable	-	-	237,974
Sales tax receivable	107,069	349,265	735,645
Other receivables	-	6,456	1,017,981
Due from other funds	-	138	750,138
Inventories	-	663,106	663,106
Insurance deposit	-	-	420,000
Total current assets	<u>4,945,894</u>	<u>2,054,609</u>	<u>74,720,543</u>
Noncurrent assets:			
Restricted cash and cash equivalents	5,454,927	-	36,845,360
Capital assets:			
Buildings and machinery	-	230,912	230,912
Equipment	40,890,024	1,086,171	192,532,305
Less: accumulated depreciation	<u>(29,519,786)</u>	<u>(1,148,976)</u>	<u>(142,060,672)</u>
Total noncurrent assets	<u>16,825,165</u>	<u>168,107</u>	<u>87,547,905</u>
Total assets	<u>21,771,059</u>	<u>2,222,716</u>	<u>162,268,448</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension deferrals - LGERS	-	791,971	850,501
Pension deferrals - OPEB	-	316,035	336,557
Total deferred outflows of resources	<u>-</u>	<u>1,108,006</u>	<u>1,187,058</u>
LIABILITIES			
Current liabilities:			
Accounts payable	59,189	660,206	1,256,447
Accrued salaries and employee payroll taxes	-	128,166	140,891
Accrued interest payable	18,670	-	101,459
Sales tax payable	-	3,799	3,921
Claims payable and other liabilities	-	-	9,606,350
Earned vacation pay	-	320,241	334,205
Due to other funds	-	-	750,000
Bonds, notes and loans payable	<u>3,825,852</u>	<u>-</u>	<u>21,968,348</u>
Total current liabilities	<u>3,903,711</u>	<u>1,112,412</u>	<u>34,161,621</u>
Noncurrent liabilities:			
Claims payable and other liabilities	-	-	15,512,173
Bonds, notes and loans payable	8,214,757	-	41,795,894
Net pension liability - LGERS	-	2,424,378	2,595,235
Net pension liability - OPEB	-	3,486,303	3,758,662
Earned vacation pay	-	139,126	156,989
Total noncurrent liabilities	<u>8,214,757</u>	<u>6,049,807</u>	<u>63,818,953</u>
Total liabilities	<u>12,118,468</u>	<u>7,162,219</u>	<u>97,980,574</u>
DEFERRED INFLOWS OF RESOURCES			
Pension deferrals - LGERS	-	72,379	78,297
Pension deferrals - OPEB	-	898,372	970,201
Total deferred inflows of resources	<u>-</u>	<u>970,751</u>	<u>1,048,498</u>
NET POSITION			
Net investment in capital assets	4,784,556	168,107	23,783,663
Unrestricted	4,868,035	(4,970,355)	40,642,771
Total net position	<u>\$ 9,652,591</u>	<u>\$ (4,802,248)</u>	<u>\$ 64,426,434</u>

**COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS**

For the Fiscal Year Ended June 30, 2021

	Risk Management Fund	Employees' Health Benefits Fund	Governmental Equipment Replacement Fund	Solid Waste Services Equipment Replacement Fund
OPERATING REVENUES				
Charges for services - internal	\$ 9,005,151	\$ 48,534,494	\$ 8,582,302	\$ 3,740,393
Other charges	-	-	-	-
Total operating revenues	<u>9,005,151</u>	<u>48,534,494</u>	<u>8,582,302</u>	<u>3,740,393</u>
OPERATING EXPENSES				
Personnel services	443,283	-	-	-
Other operational expenses	935,439	4,116,781	217,845	12,725
Claims	8,080,230	42,333,466	-	-
Premiums	2,503,778	-	-	-
Depreciation	-	-	9,678,538	4,142,574
Total operating expenses	<u>11,962,730</u>	<u>46,450,247</u>	<u>9,896,383</u>	<u>4,155,299</u>
Operating income (loss)	<u>(2,957,579)</u>	<u>2,084,247</u>	<u>(1,314,081)</u>	<u>(414,906)</u>
NONOPERATING REVENUES (EXPENSES)				
Gain (loss) on investments	6,021,287	13,438	1,551	605
Recovery of claims	391,649	992,640	257,334	-
Interest expense	-	-	(464,991)	(136,046)
Gain (loss) on sale of property	-	-	1,042,104	199,488
Total nonoperating revenues (expenses)	<u>6,412,936</u>	<u>1,006,078</u>	<u>835,998</u>	<u>64,047</u>
Income (loss) before transfers	3,455,357	3,090,325	(478,083)	(350,859)
Transfers in	<u>-</u>	<u>-</u>	<u>2,308,102</u>	<u>-</u>
Change in net position	3,455,357	3,090,325	1,830,019	(350,859)
Net position, beginning of year	14,819,668	14,123,737	16,955,770	5,652,074
Net position, end of year	<u>\$ 18,275,025</u>	<u>\$ 17,214,062</u>	<u>\$ 18,785,789</u>	<u>\$ 5,301,215</u>

**COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
For the Fiscal Year Ended June 30, 2021**

	Public Utilities Equipment Replacement Fund	Vehicle Fleet Services Fund	Total
OPERATING REVENUES			
Charges for services - internal	\$ 3,463,557	\$ 14,127,911	\$ 87,453,808
Other charges	-	5,336	5,336
Total operating revenues	<u>3,463,557</u>	<u>14,133,247</u>	<u>87,459,144</u>
OPERATING EXPENSES			
Personnel services	-	5,662,441	6,105,724
Other operational expenses	33,297	8,338,104	13,654,191
Claims	-	-	50,413,696
Premiums	-	-	2,503,778
Depreciation	4,117,880	29,619	17,968,611
Total operating expenses	<u>4,151,177</u>	<u>14,030,164</u>	<u>90,646,000</u>
Operating income (loss)	<u>(687,620)</u>	<u>103,083</u>	<u>(3,186,856)</u>
NONOPERATING REVENUES (EXPENSES)			
Gain (loss) on investments	405	-	6,037,286
Recovery of claims	39,220	-	1,680,843
Interest expense	(131,282)	-	(732,319)
Gain (loss) on sale of property	456,594	32,461	1,730,647
Total nonoperating revenues (expenses)	<u>364,937</u>	<u>32,461</u>	<u>8,716,457</u>
Income (loss) before transfers	(322,683)	135,544	5,529,601
Transfers in	-	-	2,308,102
Change in net position	(322,683)	135,544	7,837,703
Net position, beginning of year	9,975,274	(4,937,792)	56,588,731
Net position, end of year	<u>\$ 9,652,591</u>	<u>\$ (4,802,248)</u>	<u>\$ 64,426,434</u>

**COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS**

For the Fiscal Year Ended June 30, 2021

	Risk Management Fund	Employees' Health Benefits Fund	Governmental Equipment Replacement Fund	Solid Waste Services Equipment Replacement Fund
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 9,005,151	\$ 48,534,494	\$ 8,582,302	\$ 3,740,393
Payments to employees	(416,966)	-	-	-
Payments to suppliers and service providers	(836,873)	(4,116,799)	(46,940)	(110,538)
Claims paid	(4,940,174)	(43,244,424)	-	-
Premiums paid	(2,503,778)	-	-	-
Other receipts	391,649	992,640	257,334	-
Other payments	-	-	-	-
Net cash provided by (used in) operating activities	<u>699,009</u>	<u>2,165,911</u>	<u>8,792,696</u>	<u>3,629,855</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Operating subsidies and transfers from other funds	-	-	2,308,102	-
Internal activity - payments from (to) other funds	(1,058)	-	751,058	(750,000)
Net cash provided by (used in) noncapital financing activities	<u>(1,058)</u>	<u>-</u>	<u>3,059,160</u>	<u>(750,000)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchase and construction of capital assets	-	-	(7,394,896)	(3,462,873)
Proceeds from capital debt	-	-	15,142,848	14,666,942
Principal paid on capital debt	-	-	(9,270,088)	(2,729,215)
Interest paid on capital debt	-	-	(492,258)	(141,474)
Proceeds from sale of property	-	-	1,042,104	199,488
Net cash provided by (used in) capital and related financing activities	<u>-</u>	<u>-</u>	<u>(972,290)</u>	<u>8,532,868</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Gain (loss) on investments held	5,943,121	14,114	1,551	605
Net cash provided by (used in) investing activities	<u>5,943,121</u>	<u>14,114</u>	<u>1,551</u>	<u>605</u>
Net increase (decrease) in cash and cash equivalents/investments	<u>6,641,072</u>	<u>2,180,025</u>	<u>10,881,117</u>	<u>11,413,328</u>
Cash and cash equivalents/investments				
Beginning of year	33,784,986	16,944,547	12,009,123	2,557,465
End of year	<u>\$ 40,426,058</u>	<u>\$ 19,124,572</u>	<u>\$ 22,890,240</u>	<u>\$ 13,970,793</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ (2,957,579)	\$ 2,084,247	\$ (1,314,081)	\$ (414,906)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation expense	-	-	9,678,538	4,142,574
Miscellaneous nonoperating income	391,649	992,640	257,334	-
Change in assets and liabilities:				
Sales tax receivable	(52)	(18)	170,783	(97,813)
Inventories	-	-	-	-
Other receivables and assets	-	(1,011,525)	-	-
Accounts payable and other accrued liabilities	3,238,674	100,567	122	-
(Increase) decrease in deferred outflows of resources - LGERS	(5,694)	-	-	-
Increase (decrease) in deferred inflows of resources - LGERS	1,130	-	-	-
Increase (decrease) in pension liability - LGERS	33,027	-	-	-
(Increase) decrease in deferred outflows of resources - OPEB	(7,794)	-	-	-
Increase (decrease) in deferred inflows of resources - OPEB	(3,157)	-	-	-
Increase (decrease) in pension liability - OPEB	(1,113)	-	-	-
Earned vacation pay and other payroll liabilities	9,918	-	-	-
Total adjustments	<u>3,656,588</u>	<u>81,664</u>	<u>10,106,777</u>	<u>4,044,761</u>
Net cash provided by (used in) operating activities	<u>\$ 699,009</u>	<u>\$ 2,165,911</u>	<u>\$ 8,792,696</u>	<u>\$ 3,629,855</u>

**COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS**

For the Fiscal Year Ended June 30, 2021

	Public Utilities Equipment Replacement Fund	Vehicle Fleet Services Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 3,463,557	\$ 14,127,911	\$ 87,453,808
Payments to employees	-	(5,446,188)	(5,863,154)
Payments to suppliers and service providers	(101,627)	(8,306,822)	(13,519,599)
Claims paid	-	-	(48,184,598)
Premiums paid	-	-	(2,503,778)
Other receipts	39,220	5,336	1,686,179
Other payments	-	1,903	1,903
Net cash provided by (used in) operating activities	<u>3,401,150</u>	<u>382,140</u>	<u>19,070,761</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Operating subsidies and transfers to other funds	-	-	2,308,102
Internal activity - payments from (to) other funds	-	29,960	29,960
Net cash provided by (used in) noncapital financing activities	<u>-</u>	<u>29,960</u>	<u>2,338,062</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchase and construction of capital assets	(3,916,753)	(41,419)	(14,815,941)
Proceeds from capital debt	7,200,610	-	37,010,400
Principal paid on capital debt	(2,351,676)	-	(14,350,979)
Interest paid on capital debt	(137,492)	-	(771,224)
Proceeds from sale of property	456,594	32,461	1,730,647
Net cash provided by (used in) capital and related financing activities	<u>1,251,283</u>	<u>(8,958)</u>	<u>8,802,903</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Gain (loss) on investments held	405	-	5,959,796
Net cash provided by (used in) investing activities	<u>405</u>	<u>-</u>	<u>5,959,796</u>
Net increase (decrease) in cash and cash equivalents/investments	<u>4,652,838</u>	<u>403,142</u>	<u>36,171,522</u>
Cash and cash equivalents/investments			
Beginning of year	5,640,914	632,502	71,569,537
End of year	<u>\$ 10,293,752</u>	<u>\$ 1,035,644</u>	<u>\$ 107,741,059</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	\$ (687,620)	\$ 103,083	\$ (3,186,856)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation expense	4,117,880	29,619	17,968,611
Miscellaneous nonoperating income	39,220	-	1,680,843
Change in assets and liabilities:			
Sales tax receivable	(68,330)	(37,700)	(33,130)
Inventories	-	(161,451)	(161,451)
Other receivables and assets	-	1,903	(1,009,622)
Accounts payable and other accrued liabilities	-	230,433	3,569,796
(Increase) decrease in deferred outflows of resources - LGERS	-	(87,687)	(93,381)
Increase (decrease) in deferred inflows of resources - LGERS	-	17,402	18,532
Increase (decrease) in pension liability - LGERS	-	508,608	541,635
(Increase) decrease in deferred outflows of resources - OPEB	-	(120,030)	(127,824)
Increase (decrease) in deferred inflows of resources - OPEB	-	(48,605)	(51,762)
Increase (decrease) in pension liability - OPEB	-	(17,136)	(18,249)
Earned vacation pay and other payroll liabilities	-	(36,299)	(26,381)
Total adjustments	<u>4,088,770</u>	<u>279,057</u>	<u>22,257,617</u>
Net cash provided by (used in) operating activities	<u>\$ 3,401,150</u>	<u>\$ 382,140</u>	<u>\$ 19,070,761</u>

Fiduciary Funds

The **Fiduciary Funds** are used to account for resources received and held by the City as the trustee. These funds are expended or invested in accordance with agreements or applicable prescribed procedures.

The City's fiduciary funds include two pension trust funds, which account for activities of the City's general supplemental retirement plan and other post employment benefits.

Fiduciary Funds

Supplemental Money Purchase Pension Plan Fund

The Supplemental Money Purchase Pension Plan Fund accounts for the City's contributions to the City of Raleigh Money Purchase Pension Plan, a Section 401a plan established to provide supplemental retirement benefits to eligible general government employees. Plan assets are held by the City through a third party in a fiduciary capacity.

Other Post Employment Benefits Fund

The Other Post Employment Benefits Fund accounts for the City's contributions and retirees' contributions to health, life insurance, and Medicare supplement benefits provided to eligible retirees.

COMBINING STATEMENT OF PLAN NET POSITION
PENSION TRUST FUNDS
 June 30, 2021

	Supplemental Money Purchase Pension Plan	Other Post Employment Benefits Trust	Total
ASSETS			
Cash and cash equivalents	\$ 94,104,886	\$ 70,639,906	\$ 164,744,792
Due from other funds	-	168,455	168,455
Other assets	-	391,015	391,015
	<u>94,104,886</u>	<u>71,199,376</u>	<u>165,304,262</u>
Total assets			
LIABILITIES			
Claims payable	-	750,000	750,000
Accounts payable	-	19,104	19,104
	<u>-</u>	<u>769,104</u>	<u>769,104</u>
Total liabilities			
NET POSITION			
Restricted for pensions	94,104,886	-	94,104,886
Restricted for postemployment benefits other than pensions	-	70,430,272	70,430,272
Total net position	<u>\$ 94,104,886</u>	<u>\$ 70,430,272</u>	<u>\$ 164,535,158</u>

**COMBINING STATEMENT OF CHANGES
IN PLAN NET POSITION
PENSION TRUST FUNDS**
For the Fiscal Year Ended June 30, 2021

	Supplemental Money Purchase Pension Plan	Other Post Employment Benefits Trust	Total
ADDITIONS			
Employer contributions	\$ 4,905,211	\$ 19,662,858	\$ 24,568,069
Retiree contributions	-	3,077,050	3,077,050
Interest	3,007,165	8,816,343	11,823,508
Net increase (decrease) in the fair value of investments	18,446,136	6,110,595	24,556,731
Recovery of claims	-	440,644	440,644
Total additions	<u>26,358,512</u>	<u>38,107,490</u>	<u>64,466,002</u>
DEDUCTIONS			
Benefits	4,910,200	19,100,411	24,010,611
Withdrawals and forfeitures	420,567	-	420,567
Investment expense	78,445	-	78,445
Professional services	-	64,871	64,871
Total deductions	<u>5,409,212</u>	<u>19,165,282</u>	<u>24,574,494</u>
Change in net position restricted for employees' retirement and other post-employment benefits	20,949,300	18,942,208	39,891,508
Net position, beginning of year	73,155,586	51,488,064	124,643,650
Net position, end of year	<u>\$ 94,104,886</u>	<u>\$ 70,430,272</u>	<u>\$ 164,535,158</u>



STATISTICAL SECTION

The *Statistical Section* presents detailed information on financial trends, revenue capacity, debt capacity, demographic and economic information, and operating information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the City's overall health.



Statistical Schedules

This part of the Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
 (accrual basis of accounting)
 (amounts expressed in thousands)

	Fiscal Year				
	2012	2013	2014	2015	2016
Governmental activities					
Net investment in capital assets	\$ 563,336	\$ 570,848	\$ 568,329	\$ 601,802	\$ 597,711
Restricted	294,462	264,363	285,736	315,650	346,933
Unrestricted	7,234	89,096	101,746	68,728	107,327
Total governmental activities net position	<u>865,032</u>	<u>924,307</u>	<u>955,811</u>	<u>986,180</u>	<u>1,051,971</u>
Business-type activities					
Net investment in capital assets	703,484	717,882	730,664	763,249	798,997
Unrestricted	175,696	213,088	261,284	318,455	374,419
Total business-type activities net position	<u>879,180</u>	<u>930,970</u>	<u>991,948</u>	<u>1,081,704</u>	<u>1,173,416</u>
Total government					
Net investment in capital assets	1,266,820	1,288,730	1,298,993	1,365,051	1,396,708
Restricted	294,462	264,363	285,736	315,650	346,933
Unrestricted	182,930	302,184	363,030	387,183	481,746
Total government net position	<u>\$ 1,744,212</u>	<u>\$ 1,855,277</u>	<u>\$ 1,947,759</u>	<u>\$ 2,067,884</u>	<u>\$ 2,225,387</u>

NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
 (accrual basis of accounting)
 (amounts expressed in thousands)

	Fiscal Year				
	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Governmental activities					
Net investment in capital assets	\$ 656,258	\$ 695,890	\$ 726,472	\$ 753,431	\$ 835,295
Restricted	382,018	363,161	339,274	346,843	316,075
Unrestricted	39,911	(80,377)	5,194	5,424	20,009
Total governmental activities net position	<u>1,078,187</u>	<u>978,674</u>	<u>1,070,940</u>	<u>1,105,698</u>	<u>1,171,379</u>
Business-type activities					
Net investment in capital assets	855,401	937,859	1,030,539	1,135,617	1,247,085
Unrestricted	<u>433,114</u>	<u>389,162</u>	<u>428,920</u>	<u>466,638</u>	<u>489,107</u>
Total business-type activities net position	<u>1,288,515</u>	<u>1,327,021</u>	<u>1,459,459</u>	<u>1,602,255</u>	<u>1,736,192</u>
Total government					
Net investment in capital assets	1,511,659	1,633,749	1,757,011	1,889,048	2,082,380
Restricted	382,018	363,161	339,274	346,843	316,075
Unrestricted	<u>473,025</u>	<u>308,785</u>	<u>434,114</u>	<u>472,062</u>	<u>509,116</u>
Total government net position	<u>\$ 2,366,702</u>	<u>\$ 2,305,695</u>	<u>\$ 2,530,399</u>	<u>\$ 2,707,953</u>	<u>\$ 2,907,571</u>

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
 (accrual basis of accounting)
 (amounts expressed in thousands)

	Fiscal Year				
	2012	2013	2014	2015	2016
Expenses					
Governmental activities:					
General government	\$ 52,370	\$ 39,185	\$ 40,754	\$ 37,368	\$ 46,408
Community development services	25,031	25,084	23,193	22,867	20,081
Public infrastructure	51,828	48,525	57,944	50,719	58,186
Public safety	141,602	142,121	155,623	147,887	156,680
Solid waste services (1)	23,621	-	-	-	-
Leisure services	60,265	56,160	61,695	63,835	66,795
Economic development programs	5,656	4,601	7,930	4,868	6,979
Interest on long-term debt	11,043	14,816	16,646	18,735	20,876
Total governmental activities expenses	<u>371,416</u>	<u>330,492</u>	<u>363,785</u>	<u>346,279</u>	<u>376,005</u>
Business-type activities:					
Water and sewer	133,804	135,146	144,960	146,919	152,921
Convention center	34,106	34,058	33,861	33,886	34,702
Mass transit	34,769	33,766	35,387	37,854	38,180
Parking facilities	11,699	11,826	11,782	11,456	12,404
Solid waste services (1)	-	27,919	30,482	28,450	32,330
Stormwater	10,583	11,209	10,444	12,205	13,346
Total business-type activities	<u>224,961</u>	<u>253,924</u>	<u>266,916</u>	<u>270,770</u>	<u>283,883</u>
Total government expenses	<u>\$ 596,377</u>	<u>\$ 584,416</u>	<u>\$ 630,701</u>	<u>\$ 617,049</u>	<u>\$ 659,888</u>
Program Revenues					
Governmental activities:					
Charges for services:					
General government	\$ 9,293	\$ 9,906	\$ 10,775	\$ 14,697	\$ 13,564
Community development services	5,326	5,316	7,398	1,902	1,346
Public infrastructure	8,308	10,607	8,667	12,950	11,004
Public safety	337	333	285	448	458
Solid waste services (1)	18,054	-	-	-	-
Leisure services	20,199	19,252	15,822	16,189	17,187
Economic development programs	277	53	128	2	-
Operating grants and contributions	41,706	35,942	32,434	35,296	39,775
Capital grants and contributions	17,210	20,887	8,689	10,080	11,843
Total governmental activities program revenues	<u>120,710</u>	<u>102,296</u>	<u>84,198</u>	<u>91,564</u>	<u>95,177</u>
Business-type activities:					
Charges for services:					
Water and sewer	171,221	186,969	197,947	213,298	228,211
Convention center	12,490	12,231	12,950	13,342	13,785
Mass transit	5,216	5,194	5,441	7,356	7,118
Parking facilities	10,838	10,772	12,330	13,417	15,022
Solid waste services	-	19,515	22,162	24,170	26,104
Stormwater	15,521	16,025	16,972	17,459	17,939
Operating grants and contributions	7,505	9,328	6,757	9,029	7,685
Capital grants and contributions	6,032	7,139	3,831	13,688	4,835
Total business-type activities program revenues	<u>228,823</u>	<u>267,173</u>	<u>278,390</u>	<u>311,759</u>	<u>320,699</u>
Total government program revenues	<u>\$ 349,533</u>	<u>\$ 369,469</u>	<u>\$ 362,588</u>	<u>\$ 403,323</u>	<u>\$ 415,876</u>
Net (expense)/revenue:					
Governmental activities	\$ (250,706)	\$ (228,196)	\$ (279,587)	\$ (254,715)	\$ (280,828)
Business-type activities	3,862	13,249	11,474	40,989	36,816
Total government net expense	<u>\$ (246,844)</u>	<u>\$ (214,947)</u>	<u>\$ (268,113)</u>	<u>\$ (213,726)</u>	<u>\$ (244,012)</u>

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
 (accrual basis of accounting)
 (amounts expressed in thousands)

	Fiscal Year				
	2017	2018	2019	2020	2021
Expenses					
Governmental activities:					
General government	\$ 47,446	\$ 53,954	\$ 54,954	\$ 63,137	\$ 64,614
Community development services	30,613	28,276	31,160	38,915	27,679
Public infrastructure	69,785	71,552	75,982	79,107	89,897
Public safety	167,155	168,747	177,817	191,128	192,409
Solid waste services (1)	-	-	-	-	-
Leisure services	63,483	62,672	65,734	67,911	64,369
Economic development programs	3,331	5,474	4,151	3,152	8,817
Interest on long-term debt	19,302	18,931	17,560	16,228	16,381
Total governmental activities expenses	<u>401,115</u>	<u>409,606</u>	<u>427,358</u>	<u>459,578</u>	<u>464,166</u>
Business-type activities:					
Water and sewer	162,002	169,217	175,882	182,430	185,584
Convention center	34,158	34,628	35,253	35,596	26,887
Mass transit	41,319	42,091	46,532	46,972	37,000
Parking facilities	12,506	12,989	13,699	13,754	12,900
Solid waste services (1)	30,683	34,051	35,498	38,118	40,574
Stormwater	15,131	16,648	17,970	19,527	20,527
Total business-type activities	<u>295,799</u>	<u>309,624</u>	<u>324,834</u>	<u>336,397</u>	<u>323,472</u>
Total government expenses	<u>\$ 696,914</u>	<u>\$ 719,230</u>	<u>\$ 752,192</u>	<u>\$ 795,975</u>	<u>\$ 787,638</u>
Program Revenues					
Governmental activities:					
Charges for services:					
General government	\$ 21,427	\$ 22,895	\$ 26,142	\$ 26,927	\$ 29,645
Community development services	1,485	273	105	840	3,154
Public infrastructure	9,466	1,102	693	1,163	1,963
Public safety	414	-	-	-	-
Solid waste services (1)	-	-	-	-	-
Leisure services	12,073	10,368	10,870	6,037	4,533
Economic development programs	-	-	-	-	-
Operating grants and contributions	37,526	41,502	46,634	40,779	37,950
Capital grants and contributions	26,459	37,632	26,582	19,116	18,283
Total governmental activities program revenues	<u>108,850</u>	<u>113,772</u>	<u>111,026</u>	<u>94,862</u>	<u>95,528</u>
Business-type activities:					
Charges for services:					
Water and sewer	240,163	255,568	258,608	264,036	271,043
Convention center	15,085	14,736	16,417	12,396	2,745
Mass transit	6,720	5,707	6,134	4,812	1,794
Parking facilities	15,784	16,259	16,787	14,470	10,734
Solid waste services	27,281	27,709	28,796	30,939	35,371
Stormwater	22,725	23,043	23,259	23,555	25,779
Operating grants and contributions	12,332	11,272	9,836	15,829	18,167
Capital grants and contributions	9,923	5,910	24,811	26,842	28,305
Total business-type activities program revenues	<u>350,013</u>	<u>360,204</u>	<u>384,648</u>	<u>392,879</u>	<u>393,938</u>
Total government program revenues	<u>\$ 458,863</u>	<u>\$ 473,976</u>	<u>\$ 495,674</u>	<u>\$ 487,741</u>	<u>\$ 489,466</u>
Net (expense)/revenue:					
Governmental activities	\$ (292,265)	\$ (295,834)	\$ (316,332)	\$ (364,716)	\$ (368,638)
Business-type activities	54,214	50,580	59,814	56,482	70,466
Total government net expense	<u>\$ (238,051)</u>	<u>\$ (245,254)</u>	<u>\$ (256,518)</u>	<u>\$ (308,234)</u>	<u>\$ (298,172)</u>

Continued

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
 (accrual basis of accounting)
 (amounts expressed in thousands)

	Fiscal Year				
	2012	2013	2014	2015	2016
General Revenues and Change in Net Position					
Governmental activities:					
Taxes					
Property taxes	\$ 189,422	\$ 195,568	\$ 203,513	\$ 214,288	\$ 227,723
Local sales tax	67,828	71,115	76,004	82,864	88,837
Franchise tax	21,190	21,313	21,944	28,552	29,311
Other taxes	11,875	11,517	23,216	20,124	21,526
Privilege license tax	7,663	7,949	7,512	4,282	93
Investment earnings	946	1,204	5,045	2,288	3,257
Miscellaneous	11,982	20,416	13,821	18,191	16,293
Transfers	(34,186)	(41,210)	(46,235)	(54,858)	(51,072)
Gain on sale of property	-	-	6,271	256	7,574
Capital contributions	-	-	-	-	-
Total governmental activities	<u>276,720</u>	<u>287,872</u>	<u>311,091</u>	<u>315,987</u>	<u>343,542</u>
Business-type activities:					
Investment earnings	1,165	253	3,269	2,029	3,824
Transfers	34,186	41,210	46,235	54,858	51,072
Gain on the sale of property	-	-	-	-	-
Capital contributions	-	-	-	-	-
Total business-type activities	<u>35,351</u>	<u>41,463</u>	<u>49,504</u>	<u>56,887</u>	<u>54,896</u>
Total government general revenues	<u>\$ 312,071</u>	<u>\$ 329,335</u>	<u>\$ 360,595</u>	<u>\$ 372,874</u>	<u>\$ 398,438</u>
Change in Net Position					
Governmental activities	\$ 26,014	\$ 59,676	\$ 31,504	\$ 61,272	\$ 62,714
Business-type activities	39,213	54,712	60,978	97,876	91,712
Total government change in net position	<u>\$ 65,227</u>	<u>\$ 114,388</u>	<u>\$ 92,482</u>	<u>\$ 159,148</u>	<u>\$ 154,426</u>

Notes:

(1) The City began reporting the solid waste services operations as an enterprise fund effective FY13. Prior to that, the operations were included as part of the City's general fund.

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
 (accrual basis of accounting)
 (amounts expressed in thousands)

	Fiscal Year				
	2017	2018	2019	2020	2021
General Revenues and Change in Net Position					
Governmental activities:					
Taxes					
Property taxes	\$ 243,511	\$ 252,991	\$ 266,350	\$ 271,131	\$ 275,575
Local sales tax	92,879	97,394	104,943	107,581	123,182
Franchise tax	28,699	29,425	30,320	28,865	28,598
Other taxes	30,341	39,794	39,798	38,273	43,728
Privilege license tax	-	-	-	-	-
Investment earnings	4,501	5,000	15,636	17,907	17,305
Miscellaneous	12,280	2,116	2,431	1,627	672
Transfers	(55,334)	(50,803)	(55,046)	(67,795)	(56,752)
Gain on sale of property	4,196	3,455	4,165	1,886	2,011
Capital contributions	(2,723)	-	-	-	-
Total governmental activities	<u>358,350</u>	<u>379,372</u>	<u>408,597</u>	<u>399,475</u>	<u>434,319</u>
Business-type activities:					
Investment earnings	3,032	4,723	17,022	17,671	6,045
Transfers	54,984	50,803	55,046	67,795	56,752
Gain on the sale of property	145	769	557	847	674
Capital contributions	2,723	-	-	-	-
Total business-type activities	<u>60,884</u>	<u>56,295</u>	<u>72,625</u>	<u>86,313</u>	<u>63,471</u>
Total government general revenues	<u>\$ 419,234</u>	<u>\$ 435,667</u>	<u>\$ 481,222</u>	<u>\$ 485,788</u>	<u>\$ 497,790</u>
Change in Net Position					
Governmental activities	\$ 66,085	\$ 83,538	\$ 92,265	\$ 34,759	\$ 65,681
Business-type activities	115,098	106,875	132,439	142,795	133,937
Total government change in net position	<u>\$ 181,183</u>	<u>\$ 190,413</u>	<u>\$ 224,704</u>	<u>\$ 177,554</u>	<u>\$ 199,618</u>

FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)
(amounts expressed in thousands)

	Fiscal Year				
	2012	2013	2014	2015	2016
General fund					
Nonspendable	\$ 3,415	\$ 3,020	\$ 3,153	\$ 3,976	\$ 4,762
Restricted	43,367	40,302	46,800	54,396	55,361
Committed	66,317	68,466	67,776	-	2,898
Assigned	34,305	35,446	35,870	108,058	120,418
Unassigned	62,813	67,990	73,080	83,397	84,784
Total general fund	<u>\$ 210,217</u>	<u>\$ 215,224</u>	<u>\$ 226,679</u>	<u>\$ 249,827</u>	<u>\$ 268,223</u>
All other governmental funds					
Nonspendable	\$ -	\$ -	\$ 11,625	\$ 69,510	\$ 72,920
Restricted	35,793	37,031	40,478	38,360	41,491
Assigned	215,302	187,964	186,832	215,969	176,675
Total all other governmental funds	<u>\$ 251,095</u>	<u>\$ 224,995</u>	<u>\$ 238,935</u>	<u>\$ 323,839</u>	<u>\$ 291,086</u>

FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)
(amounts expressed in thousands)

	Fiscal Year				
	2017	2018	2019	2020	2021
General fund					
Nonspendable	\$ 4,823	\$ 8,277	\$ 11,197	\$ 13,833	\$ 13,704
Restricted	56,389	59,670	63,716	58,985	65,114
Committed	3,924	4,088	4,616	5,535	7,815
Assigned	132,624	135,791	159,232	178,586	214,304
Unassigned	76,757	74,033	85,438	91,731	104,220
Total general fund	<u>\$ 274,517</u>	<u>\$ 281,859</u>	<u>\$ 324,199</u>	<u>\$ 348,670</u>	<u>\$ 405,157</u>
All other governmental funds					
Nonspendable	\$ 72,483	\$ -	\$ -	\$ -	\$ -
Restricted	43,056	46,493	54,162	46,669	37,820
Assigned	210,091	256,998	221,396	241,189	213,161
Total all other governmental funds	<u>\$ 325,630</u>	<u>\$ 303,491</u>	<u>\$ 275,558</u>	<u>\$ 287,858</u>	<u>\$ 250,981</u>

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS**LAST TEN FISCAL YEARS**

(modified accrual basis of accounting)

(amounts expressed in thousands)

	Fiscal Year				
	2012	2013	2014	2015	2016
Revenues					
Ad valorem taxes	\$ 189,486	\$ 195,392	\$ 204,623	\$ 215,042	\$ 227,934
Intergovernmental	85,624	85,143	76,861	87,900	94,840
Project revenue (non-grant)	-	-	-	-	-
Non-governmental	-	-	42	80	3
Mutual aid reimbursements	-	-	-	-	-
Developer participation	510	57	164	-	-
Assessments	1,336	1,124	1,119	1,270	1,294
Franchise tax (4)	-	-	-	-	-
Local sales tax	67,828	71,115	76,004	82,864	88,837
Licenses	21,050	21,280	24,906	19,506	14,772
Gain (loss) on investments	1,683	1	4,588	2,851	4,614
Inspection fees	7,695	9,291	10,830	12,416	12,757
Highway maintenance refunds	772	1,125	899	1,393	857
Facility fees	6,632	9,571	7,663	11,990	9,891
Parks and recreation fees (5)	-	-	-	-	-
Other fees and charges	37,175	18,900	15,495	15,488	16,087
Rents	787	649	548	857	719
Program income	2,619	2,340	2,384	1,180	902
Recovery of claims	-	-	-	-	-
Donations and contributions (6)	-	-	-	-	-
Other revenues	1,831	2,467	1,916	2,941	2,987
Miscellaneous	745	875	284	-	-
Total revenues	425,773	419,330	428,326	455,778	476,494
Expenditures					
General government	38,709	36,724	38,112	40,352	46,090
Community development services	25,268	25,388	23,364	23,067	19,952
Public works	23,143	22,215	26,022	81,695	75,675
Public infrastructure	-	-	-	-	-
Public safety	144,448	144,463	148,450	185,497	188,839
Solid waste services (2)	24,556	-	-	-	-
Leisure services	54,355	50,023	53,898	79,384	118,035
Economic development programs	5,656	2,312	7,931	4,868	6,979
Other expenditures	402	2,290	-	-	-
Capital outlay	78,785	66,279	92,753	-	-
Debt service					
Principal	26,699	30,371	30,203	31,726	34,400
Interest	12,601	15,841	17,316	19,602	21,362
Other debt service expenditures	652	436	333	597	746
Total expenditures	435,274	396,342	438,382	466,788	512,078
Other financing sources (uses)					
Transfers in	27,185	32,982	43,554	35,916	40,338
Transfers out	(56,101)	(77,063)	(88,499)	(87,878)	(90,990)
Proceeds from sale of property	-	-	6,271	256	7,574
Bonds issuance	147,600	-	-	-	-
Premium on bonds issued	17,765	-	73,377	103,231	335
Premium on refunding bond issued	5,331	-	4,490	8,507	-
Refunding bonds issuance	33,925	-	5,885	-	60,892
Payments to escrow agent	(39,129)	-	(9,626)	-	-
Total other financing sources (uses)	136,576	(44,081)	35,452	60,032	18,149
Net change in fund balances	\$ 127,075	\$ (21,093)	\$ 25,396	\$ 49,022	\$ (17,435)
Debt service as a percentage of noncapital expenditures (1)	10.74%	13.97%	13.53%	14.68%	15.39%

(1) Capital outlay component of ratio calculation included as follows:
2012-2021 - capital outlay as per reconciliation of statement of revenues, expenditures, and changes in fund balances of governmental funds to the statement of activities

(2) The City began reporting the solid waste services operations as an enterprise fund effective FY13. Prior to that, the operations were included as part of the City's general fund.

(3) Public works changed to public infrastructure in FY 2017 as part of a City-wide department reorganization effort.

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)
(amounts expressed in thousands)

	Fiscal Year				
	2017	2018	2019	2020	2021
Revenues					
Ad valorem taxes	\$ 243,503	\$ 252,969	\$ 266,299	\$ 270,851	\$ 275,622
Intergovernmental	104,716	83,871	75,153	68,420	67,625
Project revenue (non-grant)	3,650	2,092	3,611	192	-
Non-governmental	46	128	129	-	105
Mutual aid reimbursements	-	-	511	11	14
Developer participation	-	-	-	20	1,657
Assessments	1,427	1,349	849	1,257	2,139
Franchise tax (4)	-	29,425	30,320	28,865	28,599
Local sales tax	92,879	97,394	104,943	107,581	123,182
Licenses	15,087	14,910	14,798	14,360	15,120
Gain (loss) on investments	3,810	5,434	16,836	17,392	11,849
Inspection fees	12,250	16,664	18,317	16,499	19,350
Highway maintenance refunds	1,148	1,079	975	1,185	1,008
Facility fees	8,235	9,627	11,431	9,602	11,439
Parks and recreation fees (5)	-	6,368	6,790	3,779	2,952
Other fees and charges	16,869	7,028	6,540	5,292	3,982
Rents	763	2,475	2,480	1,992	764
Program income	878	1,346	674	983	3,203
Recovery of claims	-	-	573	84	51
Donations and contributions (6)	-	3,700	2,402	1,759	2,320
Other revenues	2,567	1,230	1,179	1,493	1,030
Miscellaneous	-	-	-	-	-
Total revenues	<u>507,828</u>	<u>537,089</u>	<u>564,810</u>	<u>551,617</u>	<u>572,011</u>
Expenditures					
General government	45,825	52,700	56,254	57,765	59,526
Community development services	30,421	30,529	30,882	38,343	31,344
Public works	-	-	-	-	-
Public infrastructure	114,548	103,318	82,898	85,574	105,279
Public safety	169,281	179,130	185,857	202,243	197,868
Solid waste services (2)	-	-	-	-	-
Leisure services	67,667	65,968	82,835	81,743	76,577
Economic development programs	3,331	5,474	4,151	3,152	8,817
Other expenditures	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service					
Principal	40,092	43,399	40,823	40,529	41,304
Interest	21,201	21,488	19,995	18,937	18,067
Other debt service expenditures	921	326	648	1,036 (7)	1,023
Total expenditures	<u>493,287</u>	<u>502,332</u>	<u>504,343</u>	<u>529,322</u>	<u>539,805</u>
Other financing sources (uses)					
Transfers in	52,318	42,617	35,278	30,897	21,003
Transfers out	(103,992)	(95,019)	(85,030)	(96,697)	(80,063)
Proceeds from sale of property	4,196	2,848	3,692	1,287	937
Bonds issuance	68,000	-	-	72,162	45,527
Premium on bonds issued	5,775	-	-	6,381	-
Premium on refunding bond issued	-	-	-	5,426 (7)	-
Refunding bonds issuance	-	-	-	56,590 (7)	-
Payments to escrow agent	-	-	-	(61,570) (7)	-
Total other financing sources (uses)	<u>26,297</u>	<u>(49,554)</u>	<u>(46,060)</u>	<u>14,476</u>	<u>(12,596)</u>
Net change in fund balances	<u>\$ 40,838</u>	<u>\$ (14,797)</u>	<u>\$ 14,407</u>	<u>\$ 36,771</u>	<u>\$ 19,610</u>
Debt service as a percentage of noncapital expenditures (1)	15.69%	15.57%	14.42%	13.51%	13.39%

(4) (5) (6) For better transparency, The City broke out franchise tax (4), parks and recreation fees (5) and donations and contributions (6) into separate lines on the appropriate statements starting FY18. Prior to that, they were included in miscellaneous and other revenues.

(7) Adjusted to show the refunding of bonds issued and payment to bond refunding escrow agent in FY 2020.

**ASSESSED VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS**
(in thousands of dollars)

Fiscal Year	Real Property	Personal Property	Corporate Excess	Total Taxable Assessed Value	Property Tax Rate (Per \$100 Assessed Value)
2012	\$ 44,414,047	\$ 5,467,141	\$ 659,756	\$ 50,540,944	0.3735
2013	44,786,140	5,752,586	655,403	51,194,129	0.3826
2014	45,123,087	6,855,399	719,248	52,697,734	0.3826
2015	45,837,276	6,170,996	717,557	52,725,829	0.4038
2016	46,568,861	6,350,280	806,368	53,725,509	0.4210
2017	50,892,976	6,752,840	819,339	58,465,155 (1)	0.4183
2018	51,426,935	6,927,715	840,898	59,195,548	0.4253
2019	52,407,240	7,157,611	849,900	60,414,751	0.4382
2020	53,331,994	7,253,926	855,757	61,441,676	0.4382
2021	69,010,673	7,892,835	859,113	77,762,621 (1)	0.3552

Notes:

(1) Increase due to revaluation of property every four years.

This schedule does not include valuations on property owned by the State of North Carolina, United States Government, charitable institutions, etc., not subject to taxation.

Assessed valuations are established at 100% of estimated market value for real property and 100% of actual value for personal property.

Source:

Wake County Tax Administrator

**PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS
(PER \$100 OF ASSESSED VALUE)**

Fiscal Year		City Rate	Wake County Rate		Total
2012		0.3735	0.5340		0.9075
2013		0.3826	0.5340		0.9166
2014		0.3826	0.5340		0.9166
2015		0.4038	0.5780		0.9818
2016		0.4210	0.6145		1.0355
2017	(1)	0.4183	0.6005		1.0188
2018		0.4253	0.6150		1.0403
2019		0.4382	0.6544		1.0926
2020		0.4382	0.7207		1.1589
2021	(1)	0.3552	0.6000	(2)	0.9552

Note:

(1) Tax rate decreased due to revaluation.

(2) County rate is for Wake County only. A small section of the City of Raleigh is located in Durham County where the county rate is 0.7122.

Source:

Wake County Tax Administrator

Other Tax Data:

Property taxes are listed and assessed as of January 1, and the collections are first budgeted for the fiscal year beginning the next July 1.

There is a State statutory tax rated limit of \$1.50 per hundred dollars valuation for operating expenses, but no limitation on the rate of tax which may be levied for debt service.

The City has no financial responsibility for any part of the public school system. The school budget is approved and funded by the Wake County Board of Commissioners with revenues derived from County, State and Federal governments.

**PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO
(amounts expressed in thousands)**

Taxpayer	2021			2012		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Highwoods Realty LP	\$ 487,949	1	0.63%	\$ 225,587	3	0.45%
Duke Energy Progress, Inc.	416,989	2	0.54%	310,499	2	0.61%
CVM Holdings LLC	401,628	3	0.52%	334,451	1	0.66%
Mid America Apartments LP	287,905	4	0.37%	-	-	-
First Citizens Bank & Trust Co.	263,711	5	0.34%	152,965	5	0.30%
State Employees Credit Union	245,018	6	0.32%	112,129	10	0.22%
PRIII RTP8	160,656	7	0.21%	-	-	-
North Hills Owner LLC	154,798	8	0.20%	-	-	-
POP 150 Fayetteville LLC	151,918	9	0.20%	-	-	-
Columbia Cameron Village LLC	141,920	10	0.18%	-	-	-
Triangle Town Center LLC	-	-	-	173,177	4	0.34%
NHM Owner-1 LLC	-	-	-	133,250	6	0.26%
G&I VI LTD PTNRP	-	-	-	132,312	7	0.26%
Bellsouth	-	-	-	119,151	8	0.24%
Highwoods DLF Forum LLC	-	-	-	116,429	9	0.23%
Totals	<u>\$ 2,224,543</u>		<u>2.86%</u>	<u>\$ 1,584,363</u>		<u>3.12%</u>

Note:

Above taxable assessed valuations are as of January 1, 2020 and 2011 respectively, and the associated tax levies were due in the fiscal year ended June 30, 2021 and 2012 respectively.

Source:

Wake County website, Statistics and Reports and 2012 City of Raleigh ACFR.

**PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**
(amounts expressed in thousands)

Fiscal Year Ended June 30	Original Levy for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Adjusted Levy
2012	\$ 190,578	\$ 188,329	98.82%	\$ 2,139	\$ 190,468	99.94%
2013	197,617	195,117	98.73%	2,718	197,835	100.11%
2014	203,033	201,842	99.41%	1,938	203,780	100.37%
2015	212,617	211,668	99.55%	366	212,034	99.73%
2016	227,479	225,261	99.02%	133	225,394	99.08%
2017	243,201	241,145	99.15%	(9)	241,136	99.15%
2018	252,877	250,734	99.15%	265	250,999	99.26%
2019	266,178	263,654	99.05%	314	263,968	99.17%
2020	271,048	267,946	98.86%	483	268,429	99.03%
2021	275,554	272,426	98.86%	-	272,426 (1)	98.86%

Note:

(1) Reconciliation to revenues per general fund financial statements:

Total collected as per above	\$ 272,426
Penalties collected	497
Prior year collections in current year	562
Special districts	<u>2,137</u>
Ad valorem taxes collected per general fund financial statements	<u><u>\$ 275,622</u></u>

**ANALYSIS OF CURRENT TAX LEVY
CITY - WIDE LEVY**

For the Fiscal Year Ended June 30, 2021

	City - Wide			Total Levy	
	Property Valuation	Rate	Total Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
Original Levy:					
Property taxed at current year's rate	\$ 76,623,288,148	\$.3552	\$ 272,248,333	\$ 258,980,019	\$ 13,268,314
Registered motor vehicles taxed at prior year's rate	1,139,333,173	.4382	4,954,468	-	4,954,468
	<u>77,762,621,321</u>		<u>277,202,801</u>	<u>258,980,019</u>	<u>18,222,782</u>
Discoveries:					
Prior years' taxes	127,085,938	(1)	507,011	507,011	-
Total property valuation	<u>\$ 77,889,707,259</u>				
Deferred and waived			1,417,852	1,417,852	-
Penalty			496,792	496,792	-
Rebates			(4,070,349) (2)	(4,070,349)	-
Net levy			275,554,107	257,331,325	18,222,782
Uncollected taxes at June 30, 2021			(706,040)	(706,040)	-
Current year's taxes collected			<u>\$ 274,848,067</u>	<u>\$ 256,625,285</u>	<u>\$ 18,222,782</u>
Current levy collection percentage			<u>99.74%</u>	<u>99.73%</u>	<u>100.00%</u>

Note:

- (1) Taxes levied on discovered properties of prior periods at tax rates applicable to those periods.
(2) Rebates are higher in revaluation years.

SCHEDULE OF AD VALOREM TAXES RECEIVABLE
June 30, 2021

Fiscal Year Ended June 30	Taxes Receivable June 30, 2020	Additions	Collections and Other Reductions	Taxes Receivable June 30, 2021
				(1)
2012 & prior	\$ 4,666,897	\$ -	\$ 6,801	\$ 4,660,096
2013	239,898	-	3,367	236,531
2014	219,641	-	3,064	216,577
2015	246,044	-	2,650	243,394
2016	155,565	-	3,905	151,660
2017	494,270	-	(5,209)	499,479
2018	75,413	-	15,335	60,078
2019	219,164	-	45,603	173,561
2020	928,740	-	483,260	445,480
2021	-	279,597,986	279,196,795	401,191
TOTALS	\$ 7,245,632	\$ 279,597,986	\$ 279,755,571	\$ 7,088,047
			(2)	

Notes:

(1) Ad valorem taxes receivable only; does not include vehicle tag fee receivable (\$3,583,968).

(2) Reconciliation to revenues collected:

Collections and other reductions per above	\$ 279,755,571
Late list penalties collected-Wake County	(140,431)
Penalties collected	496,774
Prior year levy adjustments	(419,723)
Rebates and waived taxes	(4,070,349)
	<u>\$ 275,621,842</u>

**RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**
(amounts expressed in thousands)

Fiscal Year	Governmental Activities			Business-type Activities				Total Government	Percentage of Personal Income (1)	Per Capita (1)
	General Obligation Bonds	General Bond Anticipation Notes	Installment Financing Agreements	General Obligation Bonds	Water and Sewer Revenue Bonds	Revenue Bond Anticipation Notes	Installment Financing Agreements			
2012	\$ 344,046	\$ -	\$ 142,883	\$ 6,679	\$ 629,750	\$ -	\$ 342,932	\$ 1,466,290	8.35%	\$ 3,567.62
2013	(3) 351,612	-	139,903	5,118	727,382	-	369,471	1,593,486	8.16%	3,765.51
2014	(3) 343,739	-	162,224	3,467	708,895	-	389,116	1,607,441	7.64%	3,723.12
2015	(3) 363,605	-	230,467	1,771	687,136	-	408,636	1,691,615	7.94%	3,845.49
2016	(3) 351,863	-	266,013	386	664,085	-	417,537	1,699,884	7.47%	3,768.59
2017	(3) 399,236	-	270,251	-	761,470	-	420,100	1,851,057	7.69%	4,033.86
2018	(3) 369,456	-	241,462	-	735,108	-	393,343	1,739,369	6.80%	3,742.51
2019	(3) 340,904	-	233,990	-	705,486	-	380,696	1,661,076	(2)	3,539.48
2020	(3) 311,002	(4) 34,751	252,646	-	673,166	-	370,917	1,642,482	(2)	3,464.42
2021	(3) 282,486	80,278	241,222	-	639,899	30,100	403,649	1,677,635	(2)	3,469.06

Notes:

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

- (1) See the Schedule of Demographic and Economic Statistics schedule for personal income and population data.
- (2) Personal income data unavailable after 2018
- (3) Amounts shown are net of premiums, discounts, and adjustments. Certain non-debt long term liabilities are excluded here, but are included in long term liabilities on page 1 and in the notes to the financial statements. A reconciliation to page 1 is below:
- (4) General Bond Anticipation Notes presented separately from General Obligation Bonds.

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
General obligation bonds	\$ 282,486	\$ -
Revenue bonds	-	639,899
Bond anticipation notes	80,278	30,100
Installment financing agreements	241,222	403,649
Earned vacation payable	26,600	6,646
Landfill postclosure costs	-	5,181
Claims Payable	25,119	-
	<u>\$ 655,705</u>	<u>\$ 1,085,475</u>

**RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS**

(amounts expressed in thousands, except per capita amounts)

Fiscal Year	General Bonded Debt		Percentage Actual Taxable Value of Property (3)	Per Capita Bonded Debt	
	(1)	(2)		General	Net
2012	\$ 350,725	\$ 345,852	0.69%	\$ 853	\$ 841
2013	327,775	324,002	0.64%	775	766
2014	320,200	317,188	0.61%	742	735
2015	363,605	361,578	0.69%	755	751
2016	(5) 351,863	350,558	0.65%	675	672
2017	(5) 399,236	398,219	0.60%	761	759
2018	(5) 369,456	368,703	0.62%	696	694
2019	(5) 340,904	340,295	0.56%	726	725
2020	(5) 345,753	345,244	0.56%	729	728
2021	(5) 362,764	362,323	0.47%	750	749

Notes:

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

- (1) Total includes all general obligation bonded debt, including bond anticipation notes.
- (2) Represents gross bonded debt less allowable statutory deductions.
- (3) See Assessed Value of Taxable Property statistical schedule for property value data.
- (4) See Demographic and Economic Statistics statistical schedule for population data.
- (5) Amounts shown here are net of premiums, discounts and adjustments.

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**As of June 30, 2021**

(amounts expressed in thousands)

	<u>Bonded Debt</u>	<u>Percentage Applicable to City</u>	<u>City's Share of Debt</u>
Direct Debt - City of Raleigh (1)	\$ 568,394	100.00%	\$ 568,394
Overlapping Debt: (2)			
Wake County Debt (3)	<u>1,525,740</u>	41.02% (4)	<u>625,806</u>
Total Direct and Overlapping Debt	<u>\$ 2,094,134</u>		<u>\$ 1,194,201</u>

Notes:

- (1) This total includes all governmental activities debt.
- (2) Overlapping debt does not include the debt of the Special Airport Tax District of Durham and Wake Counties as these bonds are payable by the Airport Authority out of airport revenues.
- (3) This total includes \$1,200,872,196 of Wake County School Bonds.
- (4) Percentage of direct and overlapping debt is based on June 30, 2021 assessed valuation of the City of Raleigh (\$77,762,621,321) as compared to the June 30, 2021 assessed valuation of Wake County (\$189,588,285,100).

LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(amounts expressed in thousands)

Fiscal Year Ended June 30	Debt Limit	Less: Total Net Debt Applicable to Limit	Legal Debt Margin	Total Net Debt Applicable to the Limit as a Percentage of Debt Limit
2012	\$ 4,043,155	\$ 867,667	\$ 3,175,488	21.46%
2013	4,095,530	867,668	3,227,862	21.19%
2014	4,225,446	974,216	3,251,230	23.06%
2015	4,218,066	1,134,703	3,083,363	26.90%
2016	4,298,041	1,139,717	3,158,324	26.52%
2017	4,677,212	1,124,420	3,552,792	24.04%
2018	4,735,644	1,251,042	3,484,602	26.42%
2019	4,833,180	1,207,499	3,625,681	24.98%
2020	4,915,334	1,212,052	3,703,282	24.66%
2021	6,221,010	1,266,748	4,954,262	20.36%

Legal Debt Margin Calculation for Fiscal Year 2021

Assessed value	\$ 77,762,621
Debt limit (8% of assessed value)	6,221,010
Debt applicable to limit:	
General Obligation bonds	246,895
GO bonds authorized not issued	402,922
Other outstanding debt	617,372
Less: Statutory deductions	
Uncollected special assessments levied for local improvements for which gross debt incurred to the extent to be applied to the payment of such gross debt	(441)
Total net debt applicable to limit	<u>1,266,748</u>
Legal debt margin	<u>\$ 4,954,262</u>

**PLEDGED REVENUE COVERAGE
LAST TEN FISCAL YEARS**

Fiscal Year Ended	Gross Revenues (1)	15% of CY Unrestricted Net Position	Operating Expenses (1)	Net Revenue Available for Debt Service	Debt Service Requirements (3)			Coverage Ratios		
					Principal	Interest	Total	Net	With 15%	Covenanted Coverage
Parity Debt Service Coverage (2)										
2012	\$ 173,365,019	\$ 19,133,381	\$ 90,783,309	\$ 82,581,710	\$ 11,800,000	\$ 24,608,629	\$ 36,408,629	2.27	2.79	1.20
2013	187,414,283	24,812,247	89,197,234	98,217,049	12,895,000	23,870,470	36,765,470	2.67	3.35	1.20
2014	201,259,452	30,659,474	91,027,389	110,232,063	15,715,000	26,127,278	41,842,278	2.63	3.37	1.20
2015	214,997,564	37,843,467	89,725,721	125,271,843	19,445,000	27,004,803	46,449,803	2.70	3.51	1.20
2016	231,560,704	46,008,826	91,722,046	139,838,658	22,155,000	28,966,854	51,121,854	2.74	3.64	1.20
2017	243,174,781	52,018,440	99,896,408	143,278,373	22,860,000	26,348,958	49,208,958	2.91	3.97	1.20
2018	259,719,422	50,142,853	100,287,101	159,432,321	23,130,000	30,070,063	49,208,958	3.00	3.94	1.20
2019	272,685,950	55,506,967	104,023,906	168,662,044	25,980,000	29,093,590	55,073,590	3.06	4.07	1.20
2020	278,601,167	62,174,287	114,994,110	163,607,057	27,540,000	26,959,007	54,499,007	3.00	4.14	1.20
2021	279,331,751	65,431,229	111,235,970	168,095,781	30,905,000	23,353,545	54,258,545	3.10	(4) 4.30	1.20
Parity and Subordinate Debt Service Coverage (3)										
2012	\$ 173,365,019		\$ 90,783,309	\$ 82,581,710	\$ 14,011,829	\$ 25,037,720	\$ 39,049,549	2.11		1.00
2013	187,414,283		89,197,234	98,217,049	15,072,689	24,215,588	39,288,277	2.50		1.00
2014	201,259,452		91,027,389	110,232,063	18,549,105	26,729,341	45,278,446	2.43		1.00
2015	214,997,564		89,725,721	125,271,843	22,480,320	27,388,673	49,868,993	2.51		1.00
2016	231,560,704		91,722,046	139,838,658	25,223,884	29,315,460	54,539,344	2.56		1.00
2017	243,174,781		99,896,408	143,278,373	24,926,658	26,630,347	51,557,005	2.78		1.00
2018	259,719,422		100,287,101	159,432,321	28,287,396	32,092,890	60,380,286	2.64		1.00
2019	272,685,950		104,023,906	168,662,044	30,802,225	30,546,534	61,348,759	2.75		1.00
2020	278,601,167		114,994,110	163,607,057	32,362,225	28,326,612	60,688,837	2.70		1.00
2021	279,331,751		111,235,970	168,095,781	35,562,225	24,635,812	60,198,037	2.79	(4)	1.00

Notes:

- (1) Water and sewer user charges and other utility revenues are pledged revenues; operating expenses are exclusive of depreciation and interest expense.
- (2) Parity debt service includes interest and principal of revenue bonds.
- (3) Parity and subordinate debt service includes interest and principal of revenue bonds, State loans, and water and sewer general obligation bonds. Certain other debt paid within the Utility Fund is not subject to legal coverage requirements, and is not included above.
- (4) Pledged revenue coverage calculation updated prospectively in fiscal year 2020-21 to exclude fair market value adjustments on investments and net pension and OPEB expense.

**DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

Fiscal Year	Population	Personal Income (expressed in thousands)	Per Capita Personal Income	School Enrollment ADM	Unemployment Rate %
	(1)	(2)	(2)	(3)	(4)
2012	411,000	\$ 17,553,399	\$ 42,709	152,474	9.4
2013	423,179	18,597,448	43,947	156,073	7.4
2014	431,746	21,035,913	46,636	159,984	5.1
2015	439,896	21,295,805	48,411	161,027	5.0
2016	451,066	22,753,573	50,444	164,429	4.3
2017	458,880	24,065,503	52,444	169,436	3.6
2018	464,758	25,582,604	55,045	170,202	3.6
2019	469,298	27,149,359	57,851	171,158	4.1
2020	474,069	Unavailable	Unavailable	172,292	8.2
2021	483,579	Unavailable	Unavailable	178,450	4.5

Sources:

- (1) Census Population Estimates Program for 2013-2020
City of Raleigh Planning Department - estimate for 2012.
Population estimate from worldpopulationreview.com for 2021.
- (2) U.S. Department of Commerce, Bureau of Economic Analysis.
Per capita income for the Raleigh-Cary MSA.
Updated 2019 info as released. Data for 2020 and 2021 are unavailable.
- (3) North Carolina Department of Public Instruction, Information Analysis and Reporting.
ADM = Average daily membership - (final ADM). Includes seventeen charter schools.
- (4) North Carolina Employment Security Commission.
Estimated percentage of local unemployment as of June 30, 2020.
- (5) Population, school enrollment and unemployment data is reported as of June 30.
Personal income data is reported as of December 31.

**PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO**

Employer	2021			2012		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
State of North Carolina	24,083	1	9.73%	21,720	1	10.58%
Wake County Public School System	17,000	2	6.87%	17,553	2	8.55%
Wake Med Health and Hospitals	9,773	3	3.95%	7,750	4	3.77%
North Carolina State University	9,019	4	3.64%	7,994	3	3.89%
UNC Rex Healthcare	6,900	5	2.79%	5,400	5	2.63%
Wake County	4,389	6	1.77%	4,206	6	2.05%
City of Raleigh	4,304	7	1.74%	3,826	7	1.86%
Conduent Business Services	3,487	8	1.41%	-	-	-
Duke Energy Progress	2,800	9	1.13%	2,500	8	1.22%
First Citizens Bank	2,400	10	0.97%	1,696	10	0.83%
Wells Fargo	-	-	-	2,200	9	1.07%
Total	84,155		34.01%	74,845		36.45%

Notes:

City-wide employment as of June 30, 2021: 247,437

City-wide employment as of June 30, 2012: 205,314

Source:

Wake County Economic Development
 NC Office of State Human Resources
 NC Employment Security Commission (Laus City Wide Employment)
 City Budget Office
 Various Area Employers

**CITY GOVERNMENT EMPLOYEES BY FUNCTION/DEPARTMENT
LAST TEN FISCAL YEARS**

Function	Employees as of June 30									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Policy & Management Services										
General Government	88	90	105	103	109	111	111	111	132	132
Human Resources	25	29	30	30	31	33	34	34	34	32
Finance (3)	111	65	61	61	65	63	63	62	62	64
Information Technology (6)	79	78	78	81	80	81	90	90	90	90
Community Development Services										
Public Infrastructure (1) (5)	397	403	430	445	586	597	627	628	654	654
Planning & Development Services (2)	200	203	169	191	195	210	215	218	193	193
Community Services	18	18	18	-	-	-	-	-	-	-
Community Development	23	23	23	-	-	-	-	-	-	-
Housing and Neighborhoods (4)	-	-	-	73	76	76	76	79	70	70
Public Safety										
Police	879	876	890	898	902	904	906	901	901	901
Fire	575	577	607	609	611	621	621	621	621	621
Emergency Communications	109	115	115	115	127	129	129	129	129	129
Solid Waste Services										
	204	200	202	204	208	210	213	210	210	210
Public Utilities (3)										
	586	642	632	640	652	656	659	663	663	663
Leisure Services										
Convention Center	104	104	104	104	104	107	109	116	116	116
Parks & Recreation	428	443	472	495	417	420	423	429	429	429
Total	3,826	3,866	3,936	4,049	4,163	4,218	4,276	4,291	4,304	4,304

Notes:

Numbers presented are authorized positions.

(1) Includes Central Engineering, Construction Management, Transit, Parking, Vehicle Fleet Services and Stormwater through 2016.

(2) Planning and Development Services reorganized in 2020 to revert back to a previous design of divisions.

(3) Utility Billing employees moved from Finance to the Public Utilities Department - 2013.

(4) Housing and Neighborhoods was formed to include Community Development, Community Services and Housing & Neighborhood Preservation - 2015.

(5) Public Works changed to Public Infrastructure to include Engineering Services and Transportation - 2017.

(6) Changed name to Information Technology from Information Services - 2017.

Source:

Various city departments and the City Budget Office's Performance Indicators document.

**OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS**

Function	Fiscal Year				
	2012	2013	2014	2015	2016
Community Development Services					
Inspections:					
Permits issued (all trade types)	39,144	95,547	105,105	107,628	117,340
Construction - inspections requested (2)	88,640	-	-	-	-
Community Development:					
New housing units constructed	25	7	21	14	18
Homeownership loans provided	60	43	55	85	66
Rehabilitation loans provided	24	13	50	55	42
Public Infrastructure					
Asphalt failures repaired	1,906	4,000	5,544	5,000	5,800
Drainage structures repaired/maintained/inspected	594	505	1,120	1,200	2,721
Police					
Physical arrests and citations	92,387	88,321	98,857	86,498	75,157
Traffic accidents investigated	19,810	20,283	21,189	21,706	27,566
Fire					
Emergency responses	21,912	21,951	23,119	24,349	39,301
Fire calls answered	1,354	1,077	1,133	1,192	1,079
Emergency Communications					
911 calls processed	475,453	608,770	580,465	597,245	611,047
Solid Waste					
Refuse collected (tons)	84,700	84,582	87,068	91,786	98,028
Recyclables collected (tons)	23,890	26,040	26,176	27,584	28,239
Water					
Number of consumers	170,353	171,123	174,010	176,918	191,479
Average daily consumption (millions of gallons per day)	53.50	52.00	47.90	47.30	49.00
Maximum daily flow (millions of gallons per day)	70.13	68.93	61.10	67.88	62.00
Wastewater					
Average daily sewage treatment (millions of gallons per day)	44.10	45.60	45.40	48.19	50.00
Maximum daily flow (millions of gallons per day)	59.23	72.63	83.53	68.03	89.00
Leisure Services					
Convention center events	576	601	726	705	912
Event attendance	537,804	355,012	766,107	768,501	973,038
Parks and recreation programs	12,717	13,062	13,204	13,170	11,810
Registrants	142,965	151,545	158,257	158,500	148,194
Attendance at parks & recreation (3) facilities (millions)	4.0	4.3	4.3	-	-

Notes:

- (1) Numbers represent estimates.
- (2) Change in reporting measure beginning in 2014 for 2013. Combined construction inspections with permits issued (all trade and types).
- (3) Parks and Recreation changed reporting measure in 2015 to no longer include attendance at facilities.
- (4) Infrastructure reports changed reporting measure starting in 2019 to include inspections of drainage structures as well.
- (5) Change in reporting measure from count to feet beginning in 2020.
- (6) Number represents NRRRF, SCRRF, and LCRRF beginning 2020. Prior to 2020, this number only included NRRRF.
- (7) Global COVID-19 pandemic forced pass closures of public venues, and led to significant cancellations.
- (8) Changed to reflect fiscal year operating indicators from fiscal year 2018 through 2020

Source:

Various city departments and the City Budget Office's Performance Indicators document.

**OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS**

Function	Fiscal Year				
	2017	2018	2019	2020	2021
Community Development Services					
Inspections:					
Permits issued (all trade types)	123,119	118,368	119,149	97,012	102,476
Construction - inspections requested (2)	-	-	-	-	-
Community Development:					
New housing units constructed	5	18	28	19	21
Homeownership loans provided	32	38	61	62	59
Rehabilitation loans provided	29	36	30	29	23
Public Infrastructure					
Asphalt failures repaired	4,257	3,213 (1)	5,157	96,921 (5)	54,041
Drainage structures (4) repaired/maintained/inspected	2,176	3,857	22,804	8,596	6,982
Police					
Physical arrests and citations	68,214	60,095	52,784	33,297	30,604
Traffic accidents investigated	27,621	25,016	25,937	31,425	26,984
Fire					
Emergency responses	40,891	40,518	42,173	43,782 (8)	43,980
Fire calls answered	1,188	1,138	896	1,048	1,028
Emergency Communications					
911 calls processed	574,315	622,515 (1)	553,997	535,000 (1)	515,516
Solid Waste					
Refuse collected (tons)	94,252	94,800 (1)	92,524	92,600 (1)	100,490
Recyclables collected (tons)	28,412	28,690 (1)	27,966	27,970 (1)	30,205
Water					
Number of consumers	195,681	198,984	204,377	207,596	211,910
Average daily consumption (millions of gallons per day)	55.78	49.75	49.06	51.44	51.32
Maximum daily flow (millions of gallons per day)	62.59	63.40	69.18	67.40	67.99
Wastewater					
Average daily sewage treatment (millions of gallons per day)	50.11	48.76	48.96	50.23 (6)	52.65
Maximum daily flow (millions of gallons per day)	101.09	64.49	101.08	116.63 (6)	84.49
Leisure Services					
Convention center events	917	924	927	622 (7)	182
Event attendance	1,346,883	1,375,964	1,197,309	552,870 (7)	35,758
Parks and recreation programs	13,088	13,343	13,389	12,915	17,602
Registrants	105,102	114,270	113,587	69,072	75,380
Attendance at parks & recreation (3) facilities (millions)	-	3.1	2.9	1.5	810,691

**CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS**

Function	Fiscal Year				
	2012	2013	2014	2015	2016
Public safety					
Police stations	6	6	6	6	6
Fire stations	27	27	27	28	28
Highways and streets					
Streets (miles) - City (2)	1,052	1,055	1,076	1,087	1,092
Streets (miles) - State (2)	251	268	268	265	265
Streetlights	33,914	34,323	34,567	34,749	34,891
Signalized intersections	552	550	615	619	620
Leisure services					
Number of major parks	77	85	85	86	86
Parks acreage	9,494	9,846	9,846	10,194	9,893
Aquatic facilities	8	9	9	9	9
Community centers (staffed and unstaffed)	34	47	47	47	49
Water					
Water mains (miles)	2,508	2,515	2,226	2,245	2,355
Sewers					
Sanitary sewers (miles)	2,612	2,620	2,281	2,297	2,300

Notes:

Capital asset indicators are not available for the general government function.

(1) Major parks measure was re-evaluated in 2017.

(2) Schedule restated to bifurcate City-owned and maintained street miles from NC State-owned street miles within City limits. The City occasionally performs sidewalk repairs, ADA ramp repairs, pothole repairs, and other capital work conducted on NCDOT right of ways. General maintenance conducted on NCDOT-owned assets (traffic signals, signs, pavement markings) within City limits is reimbursable. Please note that only City-owned streets are included in the annual Powell Bill report.

Source:

Various city departments and Budget Office.

**CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS**

Function	Fiscal Year				
	2017	2018	2019	2020	2021
Public safety					
Police stations	6	6	6	6	6
Fire stations	28	29	29	29	29
Highways and streets					
Streets (miles) - City (2)	1,094	1,100	1,104	1,115	1,123
Streets (miles) - State (2)	272	269	265	270	269
Streetlights	35,038	35,228	35,527	35,681	36,192
Signalized intersections	620	625	625	635	647
Leisure services					
Number of major parks (1)	112	197	197	199	199
Parks acreage	9,893	10,124	10,126	10,130	10,018
Aquatic facilities	9	8	8	8	8
Community centers (staffed and unstaffed)	49	49	49	38	49
Water					
Water mains (miles)	2,496	2,521	2,602	2,658	2,719
Sewers					
Sanitary sewers (miles)	2,569	2,616	2,649	2,690	2,723



SINGLE AUDIT SECTION

The Single Audit Section contains schedules, exhibits and auditor reports reflecting federal, state and other participation in various projects and programs of the City as required by the Title 2 United States Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, the North Carolina state Single Audit Implementation Act, and the American Recovery and Reinvestment Act.

**Report of Independent Auditor on Internal Control over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards***

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Raleigh, North Carolina (the “City”), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements, and have issued our report thereon dated October 29, 2021.

Internal Control over Financial Reporting

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

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

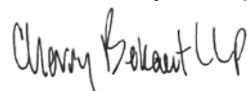
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination on the financial statement. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

A handwritten signature in black ink, appearing to read "Cherry Berkant". The signature is written in a cursive, flowing style.

Raleigh, North Carolina

October 29, 2021

**Report of Independent Auditor on Compliance for Each Major Federal Program
and on Internal Control over Compliance in Accordance with OMB Uniform Guidance
and the State Single Audit Implementation Act**

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

Report on Compliance for Each Major Federal Program

We have audited the City of Raleigh, North Carolina (the “City”), compliance with the types of compliance requirements described in the OMB *Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of the City’s major federal programs for the year ended June 30, 2021. The City’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

Management’s Responsibility

Management is responsible for compliance with federal and state statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor’s Responsibility

Our responsibility is to express an opinion on compliance for each of the City’s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”), and the State Single Audit Implementation Act. Those standards, the Uniform Guidance, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City’s compliance.

Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Report on Internal Control over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City’s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City’s internal control over compliance.

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

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

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated October 29, 2021, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying schedule of expenditures of federal and state awards is presented for purposes of additional analysis as required by the Uniform Guidance and the State Single Audit Implementation Act and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and, certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal and state awards is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

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



Raleigh, North Carolina
October 29, 2021

**Report of Independent Auditor on Compliance for Each Major State Program
and on Internal Control over Compliance in Accordance with the Uniform Guidance
and the State Single Audit Implementation Act**

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

Report on Compliance for Each Major State Program

We have audited the City of Raleigh, North Carolina (the “City”), compliance with the types of compliance requirements described in the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission that could have a direct and material effect on each of the City’s major state programs for the year ended June 30, 2021. The City’s major state programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

Management’s Responsibility

Management is responsible for compliance with state statutes, regulations, and the terms and conditions of its state awards applicable to its state programs.

Auditor’s Responsibility

Our responsibility is to express an opinion on compliance for each of the City’s major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and applicable sections of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”), as described in the *Audit Manual for Governmental Auditors in North Carolina*, and the State Single Audit Implementation Act. Those standards, the Uniform Guidance and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the City’s compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination of the City’s compliance.

Opinion on Each Major State Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major state program for the year ended June 30, 2021.

Report on Internal Control over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City’s internal control over compliance with the types of requirements that could have a direct and material effect on a major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City’s internal control over compliance.

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

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

Report on Schedule of Expenditures of Federal and State Awards Required by the Uniform Guidance and the State Single Audit Implementation Act

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated October 29, 2021, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying schedule of expenditures of federal and state awards is presented for purposes of additional analysis as required by the Uniform Guidance and the State Single Audit Implementation Act and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and, certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal and state awards is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

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



Raleigh, North Carolina
October 29, 2021

Single Audit Schedules

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

GRANTOR/PASSED-THROUGH GRANTOR/GRANTOR PROGRAM AND/OR PROJECT TITLE	Assistance Listing Number	Grant Number	Fed. (Direct & Pass-through) Expenditures	State Expenditures	Pass-through to Subrecipients	Local (1)
EXPENDITURES OF FEDERAL AWARDS:						
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>						
Direct Programs: Federal Transit Administration:						
Federal Transit Cluster:						
Capital Assistance - FTA (5339)	20.507	NC-2016-36-00	(3) \$ -	\$ (105,060)	\$ -	\$ 105,060
Federal Transit Cap & Maint 2015	20.507	NC-90-X593-00	(3) 4	(325,721)	-	325,717
Federal Transit Cap & Maint 2016	20.507	NC-2017-010-00	(3) (1)	(144,949)	-	144,950
Federal Transit Cap & Maint 2017	20.507	NC-2017-041-00	(3) 154,671	(65,553)	-	104,221
Federal Transit Cap & Maint 2018	20.507	NC-2018-040-00	(3) -	(115,484)	-	115,484
Federal Transit Cap & Maint 2019	20.507	NC-2019-059-00	-	-	1,170,013	-
(4) Federal Transit Cap & Maint 2020 (SG1)	20.507	NC-2020-039-00	-	-	1,057,812	-
(4) Federal Transit Cap & Maint 2021 - GoRaleigh Operations (SG3)	20.507	NC-2021-047-00	-	-	-	756,381
(4) Federal Transit Cap & Maint 2021 - GoAccess Operations (SG3)	20.507	NC-2021-047-00	-	-	-	2,144,206
STPDA Moore Square & AID	20.507	NC-95-X084-00	(3) (1)	(82,612)	-	184,502
Computer Aided Dispatch 2018	20.507	NC-2017-046-00	-	-	-	43,559
(4) Buses and Bus Facilities (5339) (SG2)	20.507	NC-2021-040-00	(3) -	(50,949)	-	50,949
Planning Assistance - Section 9 (5307)	20.507	19-08-101	-	-	-	6,332
Planning Assistance - Section 9 (5307)	20.507	20-08-101	-	-	-	15,890
Planning Assistance - Section 9 (5307) (SG3)	20.507	NC-2021-047-00	-	-	-	180,193
Transit Signal Priority Capital Blvd - LAPP Funding	20.507	NC-2019-033-00	-	-	-	19,769
CARES Act 2020	20.507	NC-2020-047-00	-	-	-	-
(4) CNG Fueling Station 2018 (SG3)	20.507	NC-2021-047-00	-	-	-	506,237
(4) SE Raleigh Bus Shelter Sites 2019 (SG3)	20.507	NC-2021-047-00	-	-	-	59,406
Total Federal Transit Cluster			14,778,211	(890,328)	2,227,825	4,762,856
Transit Services Programs Cluster:						
Enhanced Mobility 2017	20.513	NC-2016-035-00	(2) (52)	-	(67,864)	-
Enhanced Mobility 2018	20.513	NC-2017-055-00	(2) 1	-	111,093	-
Enhanced Mobility 2020	20.513	NC-2019-045-00	(2) 425,985	-	539,343	-
Total Transit Services Programs Cluster			425,934	-	582,572	-
(4) Planning Assistance - Section 9 (5303) (SG3)	20.505	NC-2021-047-00	299,200	37,400	-	37,400
Total Planning Assistance (5303) Direct Program			299,200	37,400	-	37,400
Total Direct Programs U.S. Department of Transportation			15,503,345	(852,928)	2,810,397	4,800,256
Passed-Through North Carolina Department of Transportation - Federal Highway Administration:						
Highway Planning and Construction Cluster:						
Wake Forest/Blount/Person Complete Streets	20.205	STPDA 0520 (059)	253,895	-	-	3,114
New Bern Ave Pedestrian Improvements	20.205	CMAQ 0505 (074)	(5) (302,738)	-	-	(603,664)
Section 104(f) PL	20.205	WBS40435.1.4	697,887	-	-	174,473
Section 104(f) STPDA	20.205	WBS50245.1.2	1,642,522	-	-	410,630
Total Highway Planning and Construction Cluster			2,291,566	-	-	(15,447)
Passed-Through North Carolina Department of Transportation - National Highway Traffic Safety Administration:						
Highway Safety Cluster:						
Bikesafe Coordinator 2019	20.616	MC-20-03-01	2,350	-	-	-
Bikesafe Coordinator 2020	20.616	M9MT-21-16-01	660	-	-	-
Total Highway Safety Cluster			3,010	-	-	-
Total Passed-Through North Carolina Department of Transportation			2,294,576	-	-	(15,447)
Total U.S. Department of Transportation			17,797,921	(852,928)	2,810,397	4,784,809
<u>CORPORATION FOR NATIONAL AND COMMUNITY SERVICE</u>						
Direct Programs: Foster Grandparent/Senior Companion Cluster:						
Foster Grandparent Program	94.011	20FSFNC002	216,130	-	-	72,043
Total Corporation for National and Community Service			216,130	-	-	72,043
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>						
Direct Programs: CDBG Entitlement Grant Cluster:						
Community Development Block Grant - Entitlement	14.218	B18MC370009	1,164,877	-	50,920	-
Community Development Block Grant - Entitlement	14.218	B19MC370009	263,025	-	62,027	-
Community Development Block Grant - Entitlement	14.218	B20MC370009	752,542	-	307,387	-
Community Development Block Grant - Entitlement	14.218	B20MW370009	551,095	-	551,095	-
Total CDBG Entitlement Grant Cluster			2,731,539	-	971,429	-
Direct Programs: HOME						
HOME Investment Partnerships Program	14.239	M19-MC370206	41,514	-	-	10,379
HOME Investment Partnerships Program	14.239	M20-MC370206	219,777	-	-	54,944
Total Direct Programs HOME			261,291	-	-	65,323
Direct Programs: ESG Grant						
Emergency Solutions Grant Program	14.231	E20MW370009	382,119	-	382,119	-
Emergency Solutions Grant Program	14.231	E20MC370009	275,598	-	275,598	-
Total Direct Programs ESG			657,717	-	657,717	-
Total U.S. Department of Housing and Urban Development			3,650,547	-	1,629,146	65,323
<u>U.S. DEPARTMENT OF JUSTICE</u>						
Direct Programs:						
JAG Cluster:						
Edward Byrne Memorial Justice Assistance (JAG) 2016	16.738	2016-DJ-BX-1066	48,026	-	-	-
Edward Byrne Memorial Justice Assistance (JAG) 2017	16.738	2017-DJ-BX-0816	120,184	-	66,081	-
Edward Byrne Memorial Justice Assistance (JAG) 2018	16.738	2018-DJ-BX-0385	65,063	-	65,063	-
Total JAG Cluster			233,273	-	131,144	-
Direct Programs:						
Equitable Sharing	16.922	2021	875,530	-	-	-
Coronavirus Emergency Supplemental Funding (2020 CESF)	16.034	2020-VD-BX-1474	88,280	-	-	-
Total Direct Programs U.S. Department of Justice			963,810	-	-	-
Total U.S. Department of Justice			1,197,083	-	131,144	-

(3) Transit grant adjustments represent a change to the expected funding allocations for local portion under the respective awards, state budgeted funds now covered with local match dollars in 2021.

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

GRANTOR/PASSED-THROUGH GRANTOR/GRANTOR PROGRAM AND/OR PROJECT TITLE	Assistance Listing Number	Grant Number	Fed. (Direct & Pass-through) Expenditures	State Expenditures	Pass-through to Subrecipients	Local (1)
ENVIRONMENTAL PROTECTION AGENCY						
Passed-Through N.C. Department of Environmental Quality - Capitalization Grants for Clean Water State Revolving Funds:						
Crabtree Creek Wastewater Conveyance	66.458	CS370419-19	1,946,882	-	-	-
Bioenergy Recovery Project	66.458	CS370419-20	34,208,204	-	-	-
Total Clean Water State Revolving Funds			36,155,086	-	-	-
Total Environmental Protection Agency			36,155,086	-	-	-
U.S. DEPARTMENT OF HOMELAND SECURITY						
Passed-Through N.C. Department of Public Safety - FEMA:						
COVID-19 Pandemic 2020						
Total COVID-19 FEMA	97.036	FEMA-4487-DR-NC	10,269	-	-	-
			10,269	-	-	-
Homeland Security Cluster:						
Assistance to Firefighters COVID-19 Supplemental (AFG-S)	97.044	EMW-2020-FG-00476	11,717	-	-	1,174
Total Homeland Security Cluster			11,717	-	-	1,174
Total Passed-Through N.C. Department of Public Safety - FEMA			21,986	-	-	1,174
Total U.S. Department of Homeland Security			21,986	-	-	1,174
U.S. DEPARTMENT OF TREASURY						
Direct Programs:						
Emergency Rental Assistance Program	21.023	20-0150-0-1-806	2,106,856	-	2,106,856	-
Total Direct Programs U.S. Department of Treasury			2,106,856	-	2,106,856	-
Passed-Through Wake County:						
Coronavirus Relief Fund	21.019	20-1892-0-1-806	10,131,546	-	-	-
Total U.S. Department of Treasury			12,238,402	-	2,106,856	-
OFFICE OF NATIONAL DRUG CONTROL POLICY						
Passed-Through Durham County:						
High Intensity Drug Trafficking Area (HIDTA) 2019	95.001	G19GA0004A	3,347	-	-	-
High Intensity Drug Trafficking Area (HIDTA) 2020	95.001	G20GA0004A	3,570	-	-	-
Total Office of National Drug Control and Policy			6,917	-	-	-
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 71,284,072	\$ (852,928)	\$ 6,677,543	\$ 4,923,349
EXPENDITURES OF STATE AWARDS:						
N.C. DEPARTMENT OF TRANSPORTATION						
Direct Programs: Division of Highways:						
Powell Bill	N/A	WBS32570	\$ -	\$ 7,160,857	\$ -	\$ -
Total Direct Programs N.C. Department of Transportation			-	7,160,857	-	-
Passed-Through Triangle J Council of Governments:						
Transportation Demand Management Grant 2020	N/A	TDMRAL20	(603)	-	-	603
Transportation Demand Management Grant 2021	N/A	TDMRAL21	-	81,624	-	81,624
Total Passed-Through Triangle J Council of Governments			-	81,021	-	82,227
Total N.C. Department of Transportation			-	7,241,878	-	82,227
N.C. DEPARTMENT OF ENVIRONMENTAL QUALITY						
Direct Programs:						
NC Community Waste Reduction & Recycling	N/A	2020-8187	-	17,313	-	3,899
Total N.C. Department of Environmental Quality			-	17,313	-	3,899
N.C. DEPARTMENT OF NATURAL & CULTURAL RESOURCES						
Passed-Through Clean Water Management Trust Fund:						
Millbrook Exchange CWMTF	N/A	2016-1006	-	15,000	-	3,750
Total N.C. Department of Natural & Cultural Resources			-	15,000	-	3,750
N.C. DEPARTMENT OF PUBLIC SAFETY						
Direct Programs:						
Fire Regional Response Team (RRT)	N/A	RRT42021	-	59,671	-	-
Total Direct Programs N.C. Department of Public Safety			-	59,671	-	-
Passed-Through Wake County:						
Juvenile Crime Prevention Council	N/A	2020	-	55,805	-	2,585
Juvenile Crime Prevention Council	N/A	2021	-	43,216	-	2,585
Total Passed-Through Wake County			-	99,021	-	5,170
Total N.C. Department of Public Safety			-	158,692	-	5,170
TOTAL EXPENDITURES OF STATE AWARDS			\$ -	\$ 7,432,883	\$ -	\$ 95,046
TOTAL EXPENDITURES ALL AWARDS			\$ 71,284,072	\$ 6,579,955	\$ 6,677,543	\$ 5,018,395

The notes to the Schedule of Expenditures of Federal and State Financial Awards are an integral part of this schedule.

Notes to the Schedule of Expenditures of Federal and State Financial Awards:

Note 1: Basis of Presentation

The accompanying schedule of expenditures of federal and State awards (SEFSA) includes the Federal and State grant activity of the City of Raleigh under the programs of the federal government and the State of North Carolina for the year ended June 30, 2021. The information in this SEFSA is presented in accordance with the requirements of Title 2 US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the State Single Audit Implementation Act. Because the Schedule presents only a selected portion of the operations of the City of Raleigh, it is not intended to present the financial position, changes in net assets or cash flows of the City of Raleigh.

Note 2: Summary of Significant Accounting Policies

The Schedule of Expenditures of Federal and State Awards is prepared on the modified accrual basis of accounting. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement.

The City of Raleigh has elected not to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

Powell Bill expenditures as reported above represent eligible expenditures reported to the North Carolina Department of Transportation for the fiscal year ending June 30, 2021. The City is required to report annually to the North Carolina Department of Transportation on the accumulated unexpended Powell Bill funds. Unexpended Powell Bill funds are accounted for and maintained within various City funds. The total unexpended balance on-hand at June 30, 2021 is \$-0-

Local dollars represent City of Raleigh matching as well as awards from local governments. (1)

Where allowed by grant agreement, prior year expenditures that have not been previously tested may be included in the Schedule of Awards at June 30, 2021. Generally, this occurs when grants are awarded after the related project or program has started incurring expenses and retroactive reimbursement is allowed per the funding agreement or when corrections are made due to previous year(s) omissions. (2)

Negative current year expenditures represent adjustments to previously reported balances for grant projects completed during FY 2021, awards newly executed or amended, or scope changes identified in FY 2021, which adjusted prior year anticipated allocations between federal, state, and local components. (3)

Projects grouped under a "Supergrant" award, FTA Multi-Source Flex and Formula Funding to include Section 5307 and LAPP funding, but are bifurcated in schedule above for project & scope tracking. Each project line lists the unique grant number to associate back to the FTA Award identification. Cumulative fiscal activities reported below. (4)

		Federal	State	Local
NC-2020-039-00	(SG1)	1,502,911	-	-
NC-2021-040-00	(SG2)	-	(50,949)	50,949
NC-2021-047-00	(SG3)	7,138,838	37,400	3,683,823

Grant was deobligated. Prior year reported balances, based on expenditure spending, are being reversed to reflect new status. Project scope combined going forward with the New Bern Avenue BRT project. (5)

Note 3: Loan Balances

The City of Raleigh had the following loan balances outstanding at June 30, 2021 for which the grantor/pass-through grantor has still imposed continuing compliance requirements. The loan balance outstanding is included in the federal expenditures presented in the schedule. For each program, the outstanding loan balance may differ from expenditures presented in the schedule above due to timing of cash receipts.

Program Name	CFDA Number	Pass-through Grantor's Number	Amount Outstanding
SRF Neuse River WWTP Phase II Revolving Loan	66.458	CS-370419-18	\$ 22,110,761
SRF Crabtree Creek Wastewater Conveyance Revolving Loan	66.458	CS-370419-19	\$ 20,722,454
SRF Bioenergy Recovery Revolving Loan	66.458	CS-370419-20	\$ 46,883,596

(1) Represents City of Raleigh matching and awards from local governments.

CITY OF RALEIGH, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2021

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued: *Unmodified*

Internal control over financial reporting:

- Material weakness(es) identified? _____ yes no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? _____ yes none reported
- Noncompliance material to financial statements noted? _____ yes no

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? _____ yes no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? _____ yes none reported
- Noncompliance material to federal awards? _____ yes no

Type of auditor’s report issued on compliance for major federal programs: *Unmodified*

Any audit findings disclosed that are required to be reported in accordance with the 2 CFR 200.516 (a)? _____ yes no

Identification of major federal programs:

CFDA Numbers

20.500-CL
21.019-CL
21.02

Names of Federal Program or Cluster

Federal Transit Cluster
Coronavirus Relief Fund Cluster
Emergency Rental Assistance Program

Dollar threshold used to distinguish between Type A and Type B Programs: \$ 2,127,111

Auditee qualified as low-risk auditee? yes _____ no

CITY OF RALEIGH, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

YEAR ENDED JUNE 30, 2021

Section I – Summary of Auditor’s Results (continued)

State Awards

Internal control over major state programs:

- Material weakness(es) identified? _____ yes none
- Significant deficiency(ies) identified that are not considered to be material weaknesses? _____ yes none reported
- Noncompliance material to state awards? _____ yes no

Type of auditor’s report issued on compliance for major state programs: *Unmodified*

Any audit findings disclosed that are required to be reported in accordance with the *State Single Audit Implementation Act*? _____ yes no

Identification of major state programs:

Names of State Program or Cluster

State Street-Aid to Municipalities, Powell Bill

Section II – Financial Statement Findings

None

Section III – Federal Award Findings and Questioned Costs

None

Section IV – State Award Findings and Questioned Costs

None

CITY OF RALEIGH, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

YEAR ENDED JUNE 30, 2021

Section V – Summary Schedule of Prior Audit Findings

Financial Statement Findings

None

Federal Award Findings and Questioned Costs

None

State Award Findings and Questioned Costs

None





Raleigh

CITY OF RALEIGH

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