



Annual Comprehensive Financial Report

FISCAL YEAR ENDED JUNE 30, 2025
RALEIGH, NORTH CAROLINA





Raleigh

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City of Raleigh

NORTH CAROLINA

Annual Comprehensive Financial Report

For the Fiscal Year Ended June 30, 2025

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

Table of Contents

Introductory Section

Principal Officials.....	I
Organization Chart.....	II
Letter of Transmittal.....	III
Certificate of Achievement for Excellence in Financial Reporting.....	XXIII

Financial Section

Report of Independent Auditor.....	1
Management's Discussion and Analysis.....	4

Basic Financial Statements

Government-Wide Financial Statements:

Statement of Net Position.....	24
Statement of Activities.....	26

Fund Financial Statements:

Balance Sheet — Governmental Funds.....	28
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position.....	29
Statement of Revenues, Expenditures, and Changes in Fund Balances — Governmental Funds.....	30
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	31
Statement of Revenues, Expenditures, and Changes in Fund Balance — Budget and Actual — General Fund.....	32
Statement of Net Position — Proprietary Funds.....	36
Statement of Revenues, Expenses, and Changes in Fund Net Position — Proprietary Funds.....	40
Statement of Cash Flows — Proprietary Funds.....	42
Statement of Fiduciary Net Position.....	44
Statement of Changes in Fiduciary Net Position.....	45

Notes to the Financial Statements:

Note 1 — Summary of Significant Accounting Policies.....	47
Note 2 — Stewardship, Compliance, and Accountability.....	55
Note 3 — Detailed Notes on all Funds.....	56
Note 4 — Other Information.....	77

Required Supplementary Information:

Schedule of Changes in the Net OPEB Liability and Related Ratios.....	98
Other Post Employment Benefits — Schedule of Employer Contributions.....	100

Other Post Employment Benefits — Schedule of Investment Returns.....	102
Local Government Employees' Retirement System — Proportionate Share of Net Pension Liability.....	103
Local Government Employees' Retirement System — Contributions.....	104
Law Enforcement Officers' Special Separation Allowance — Schedule of Changes in Net Pension Liability and Related Ratios.....	106
Law Enforcement Officers' Special Separation Allowance — Schedule of Net Pension Liability as a Percentage of Covered Payroll.....	108
Law Enforcement Officers' Special Separation Allowance - Schedule of Investment Returns.....	110

Combining and Individual Financial Statements and Schedules:

Combining Balance Sheet — Nonmajor Governmental Funds.....	114
Combining Statement of Revenues, Expenditures and Changes in Fund Balances — Nonmajor Governmental Funds.....	115

Special Revenue Funds:

Combining Balance Sheet — Nonmajor Special Revenue Funds.....	120
Combining Statement of Revenues, Expenditures and Changes in Fund Balances — Nonmajor Special Revenue Funds.....	122

Schedule of Revenues and Expenditures Compared with Budget:

Grants Fund.....	124
Housing Bond Fund.....	125
Community Development Fund.....	126
State and Local Fiscal Recovery Fund (SLFRF).....	127
Disaster Recovery Fund.....	128
Convention Center Financing Fund.....	129
Emergency Telephone System Fund.....	130

General Capital Projects Funds:

Combining Balance Sheet — Non major Capital Projects Funds.....	134
Combining Statement of Revenues, Expenditures and Changes in Fund Balances — Nonmajor Capital Projects Funds.....	136

Schedule of Revenues and Expenditures Compared with Budget:

Sidewalk and Street Improvement Fund.....	138
Street Bond Fund.....	139
Park Improvement Fund.....	140
Facility Fees Fund.....	141
Park Bond Fund.....	142
Miscellaneous Capital Improvements Fund.....	143

Table of Contents

Walnut Creek Amphitheater Projects Fund.....	144
Technology Capital Projects Fund.....	145

Enterprise Funds:

Schedule of Revenues and Expenditures — Budget (Modified Accrual Basis) and Actual:

Water and Sewer Fund (major fund):

Water and Sewer Operating Fund.....	152
Water Capital Projects Fund.....	154
Reconciliation of Modified Accrual Basis to Full Accrual Basis — Water and Sewer Funds.....	155

Convention Center Complex Fund (major fund):

Convention Center and Performing Arts Complex Operating Fund.....	156
Convention Center and Performing Arts Complex Projects Fund.....	157
Convention Center Complex Capital Projects Fund.....	158
Convention Center Expansion Projects Fund.....	159
Reconciliation of Modified Accrual Basis to Full Accrual Basis — Convention Center Funds.....	160

Mass Transit Fund (major fund):

Mass Transit Fund.....	161
Reconciliation of Modified Accrual Basis to Full Accrual Basis — Mass Transit Fund.....	162

Stormwater Utility Fund (major fund):

Stormwater Utility Operating Fund.....	163
Stormwater Utility Capital Projects Fund.....	164
Stormwater Utility Bond Fund.....	165
Reconciliation of Modified Accrual Basis to Full Accrual Basis — Stormwater Utility Funds.....	166

Parking Facilities Fund (major fund):

Parking Facilities Operating Fund.....	167
Parking Facilities Capital Projects Fund.....	168
Reconciliation of Modified Accrual Basis to Full Accrual Basis — Parking Facilities Funds.....	169

Solid Waste Services Fund (major fund):

Solid Waste Services Fund.....	170
Solid Waste Services Capital Fund.....	171
Reconciliation of Modified Accrual Basis to Full Accrual Basis — Solid Waste Services Funds.....	172

Table of Contents

Internal Service Funds:

Combining Statement of Net Position	176
Combining Statement of Revenues, Expenses and Changes in Fund Net Position	178
Combining Statement of Cash Flows	180

Fiduciary Funds:

Combining Statement of Fiduciary Net Position	188
Combining Statement of Changes in Fiduciary Net Position	189

Statistical Section

Net Position by Component — Last Ten Fiscal Years.....	194
Changes in Net Position — Last Ten Fiscal Years.....	196
Fund Balances, Governmental Funds — Last Ten Fiscal Years.....	200
Changes in Fund Balances, Governmental Funds — Last Ten Fiscal Years.....	202
Assessed Value of Taxable Property — Last Ten Fiscal Years.....	204
Property Tax Rates- Direct and Overlapping Governments — Last Ten Fiscal Years.....	205
Principal Property Taxpayers.....	206
Property Tax Levies and Collections — Last Ten Fiscal Years.....	207
Analysis of Current Tax Levy.....	208
Schedule of Ad Valorem Taxes Receivable.....	209
Ratios of Outstanding Debt by Type — Last Ten Fiscal Years.....	210
Ratios of General Bonded Debt Outstanding — Last Ten Fiscal Years.....	211
Direct and Overlapping Governmental Activities Debt.....	212
Legal Debt Margin Information — Last Ten Fiscal Years.....	213
Pledged Revenue Coverage — Last Ten Fiscal Years.....	214
Demographic and Economic Statistics — Last Ten Fiscal Years.....	215
Principal Employers.....	216
City Government Employees by Function/Department — Last Ten Fiscal Years.....	217
Operating Indicators by Function — Last Ten Fiscal Years.....	218
Capital Asset Statistics by Function — Last Ten Fiscal Years.....	220
Yellow Book Report.....	222

A decorative pattern of stylized leaves in various shades of green and yellow, arranged in a repeating, overlapping fashion across the top half of the page.

Introductory Section

A dark, blue-tinted photograph of a city skyline at night. The skyline features several tall buildings, some with lit windows. In the foreground, there is a road with a speed limit sign that reads 'SPEED LIMIT 35'. The overall scene is dimly lit, with the city lights providing the primary illumination.



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Raleigh City Council 2024-2025

The City Council is Raleigh's governing body, consisting of eight members who are elected for two-year terms. Three of the members, including the mayor, are elected at large, while the other members are elected from five districts: A, B, C, D, and E. The City Council sets City policy, enacts laws and adopts the City budget each year.



Left to right: Corey Branch, Megan Patton, Christina Jones, Jane Harrison, Janet Cowell, Mitchell Silver, Jonathan Lambert- Melton, Stormie D. Forte

Janet Cowell – Mayor

Mitchell Silver – District A

Megan Patton – District B

Corey Branch – District C

Jane Harrison - District D

Christina Jones – District E

Jonathan Lambert-Melton – At Large

Stormie D. Forte – At Large

City Administrative, Legal and Financial Staff

Marchell Adams-David

City Manager

Ryan Bergman

Assistant City Manager

Niki Jones

Assistant City Manager

Evan Raleigh

Assistant City Manager

Michael Moore

Assistant City Manager

Michele Mallette

Chief of Staff

Louis Buonpane

City Clerk

Karen McDonald

City Attorney

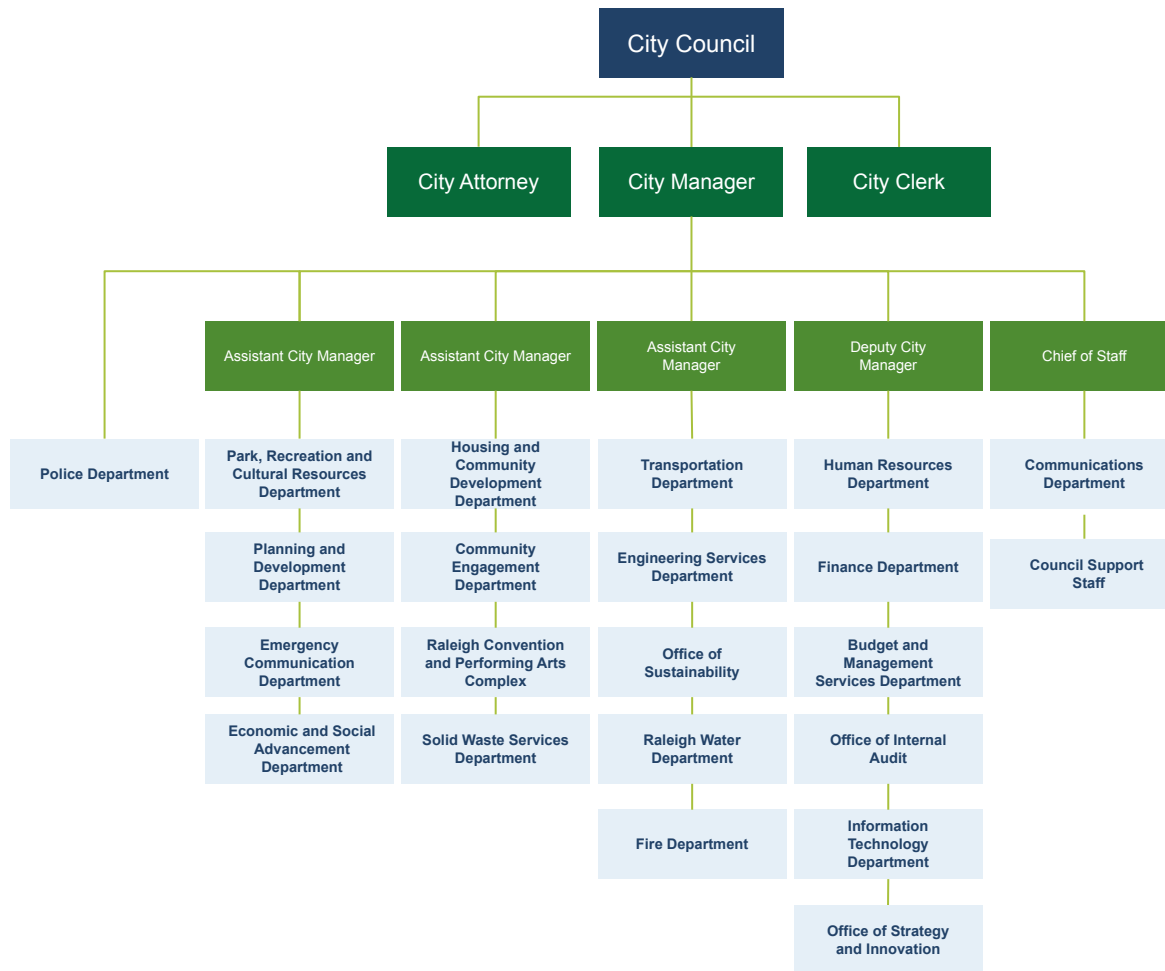
Allison E. Bradsher

Chief Financial Officer

Sadia Sattar

Budget and Management Services Director

City of Raleigh Organization Chart





October 31, 2025

**TO THE HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL AND RESIDENTS OF
THE CITY OF RALEIGH, NORTH CAROLINA**

It is our pleasure to submit the Annual Comprehensive Financial Report (ACFR) of the City of Raleigh, North Carolina for the fiscal year ended June 30, 2025. The City's Mission is, "To build a stable platform of evolving services for our community through which we champion positive and sustainable growth and realize visionary ideas for all." Demonstrating financial strength and prudence is core to meeting this mission and State law requires all general-purpose local governments to 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.

City management assumes full responsibility for the accuracy, completeness, and fairness of the data presented, including all disclosures; based upon a comprehensive framework of internal controls that it has established for this purpose. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: 1) the cost of a control should not exceed the benefits likely to be derived, and 2) the valuation of costs and benefits requires estimates and judgments by management. To the best of our knowledge and belief, the data presented is accurate in all material aspects and is presented in a manner designed to fairly set forth the financial position and results of the City's financial activities over the last fiscal year.

The City's financial statements as required by North Carolina General Statute 159-34 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, 2025, are fairly presented and 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 is 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.

For more than 30 years, growth in Raleigh and the surrounding Research Triangle Region has consistently and significantly outpaced the nation. Fueled by an impressive mix of education, ingenuity, and collaboration, North Carolina's capital city has become an internationally recognized leader in life science and technology innovation. It also happens to be a really nice place to live.

CITY OF RALEIGH GOVERNMENT

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 (A, B, C, D and E) within the City. The Mayor and Council members serve two-year terms, and all have an equal vote. In May 2024, the Council voted to extend Council member terms to four years with staggered elections beginning effective 2026. The transition plan outlines in 2026, half the Council will run for two-year terms expiring in 2028 and the other half will run for four-year terms expiring 2030. Another change is switching to a non-partisan primary election format, all candidates in a district will be on the March primary ballot and the top two candidates are chosen for the November ballot. The City Council sets policies, enacts ordinances, and appoints the City Manager, City Attorney and City Clerk.

The City Manager is responsible for the management and operation of city services. The City of Raleigh provides direct and internal supportive services. The City is considered a full-service city directly providing the full range of governmental services, including police, fire, and emergency dispatch; solid waste management; water and sanitary sewer services; and a variety of transportation and public infrastructure programs.

STRATEGIC PLAN

Raleigh's Strategic Plan is a collaborative effort that is led by Raleigh City Council's vision and leadership, informed by resident feedback, carried out by staff, and aligned with other Citywide efforts. The City of Raleigh's Strategic Plan is a guide for improving the community. The Plan outlines the City's key priorities and sets a clear path for future goals and actions. The Strategic Plan is a testament to the City's dedication to enhancing the quality of life for our vibrant community.

Council approved the FY26–29 Strategic Plan in June 2025. Building Raleigh's FY26–29 Strategic Plan was a thoughtful, collaborative effort that started with reflecting on the successes and lessons learned from the FY21–25 plan, gathering feedback from staff, leadership, and external experts. In addition, listening closely to residents and employees to better understand community priorities and everyday experiences. The Strategic Plan is the City's playground to innovate, experiment, and bring new ideas to Raleigh.

Mission: To build a stable platform of evolving services for our community through which we champion positive and sustainable growth and realize visionary ideas for all.

Vision: To pursue world-class quality of life by actively collaborating with our community towards a fulfilling and inspired future for all.



The priorities outlined in the Strategic Plan are organized into seven key focus areas.

■ ***Community Safety***

Building trust, improving safety, and strengthening neighborhood connections

■ ***Economic Development & Innovation***

Making it easier to do business and supporting local growth

■ ***Environmental Resilience***

Addressing climate change and encouraging sustainable choices

■ ***Housing***

Creating more affordable housing options and supporting residents experiencing or at-risk of homelessness

■ ***Organizational Excellence***

Providing easy, reliable, and responsive City services

■ ***Quality of Life***

Expanding arts, culture, and recreation across all neighborhoods

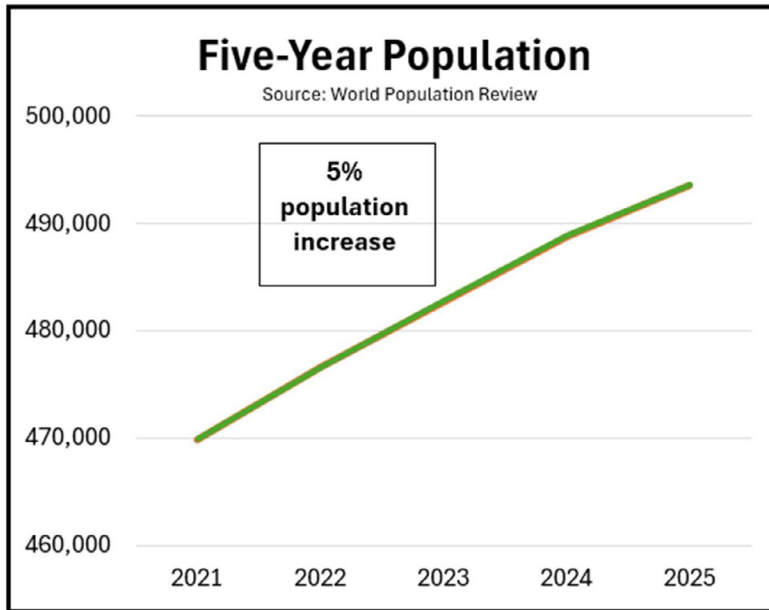
■ ***Transportation***

Strengthening transit service and pedestrian safety



LOCAL ECONOMY

The City of Raleigh is the second largest city in North Carolina with a population of 493,589 an increase of 5% over the last five years. Raleigh continues to be one of the fastest growing cities in the country and is the 39th most populous in the United States. Raleigh and the surrounding region continue to experience growth in population and commercial activity. Raleigh is both the county seat of Wake County, the most populated county in North Carolina and the capital of the state. Driven by a strong economy and an outstanding quality of life, Raleigh is consistently ranked among the nation's best places to live and to operate a business.



The local economy continues to remain financially strong and new people are drawn to the area, this is in large part due to the diverse business environment; six public and private institutions of higher education, including North Carolina State University, the largest university in North Carolina; and outstanding health care facilities. Raleigh has a significant concentration of businesses that have been relatively resistant to broader economic conditions, including principal executive, judicial and regulatory offices of State government; education; and life sciences. Raleigh continues to be recognized as a City of innovation with access to a strong pipeline of talent largely due to the number of universities and colleges located in and

around the City. Raleigh continues to perform well in economic vitality measures such as job creation and wage growth. The local economy and surrounding region continue to display positive economic trends which indicate that Raleigh remains well positioned for the future. In addition, North Carolina's economy continually ranks as one of the best in the country. Raleigh is widely recognized by independent sources as one of the nation's most attractive metropolitan areas.

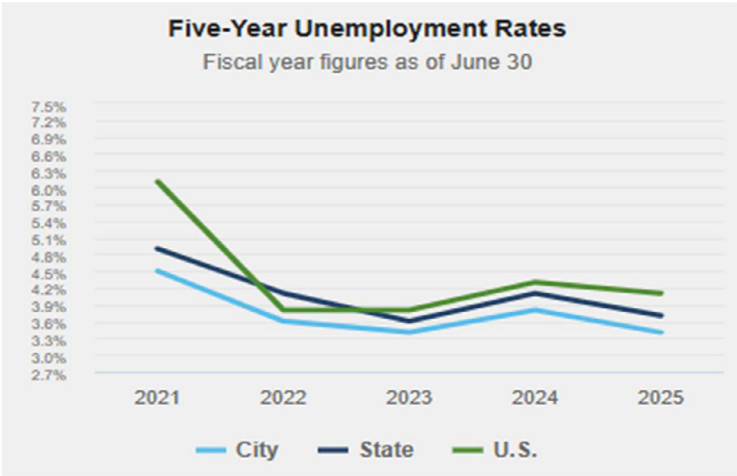
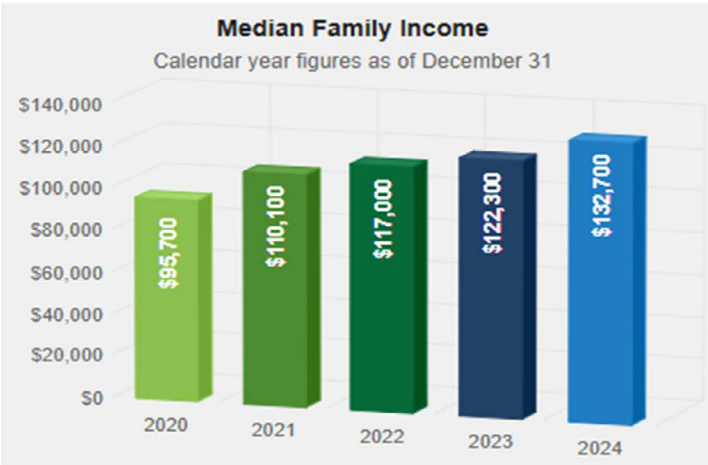
January 2025 Milken Institute's 2025 Best-Performing Cities report ranked Raleigh as the best-performing large metropolitan area. The key finding from the report states 'Raleigh, NC ascends to the No. 1 ranking among large cities due to its strong employment conditions and robust high-tech sector'.

Additional accolades received in FY25 include:

- Top 10 most educated cities in the U.S. (June 2025, WalletHub)
- 2nd of Top 20 Innovation Hubs Across the South (May 2025, Commercial Cafe)
- 3rd Best State Capital to Live In (February 2025, WalletHub)
- 7th for fastest growing cities in the U.S. (January 2025, U-Haul Annual Growth Report)
- 1st in Most Livable City (December 2024, Far & Wide)
- Top 5 Fastest-growing Housing Markets (August 2024 StorageCafe)

Median household income reflects the relative wealth of a community, the financial resources of its citizens, and the ability of citizens to afford the cost of living within a region.

Median family income continued an upward trend, rising to \$132,700 in calendar year 2024, an increase of 8.5%. The median family income in Raleigh is significantly higher than the State of NC, which was \$95,000 in calendar year 2024.



A key indicator as to the health of a local economy is tracking unemployment figures over time. The North Carolina Department of Commerce reports the City of Raleigh has a lower unemployment rate than the U.S. and the State of North Carolina over the 5-years shown in the graph.

The City's unemployment rate on June 30, 2025, was 3.4%, which decreased over the prior year, and remains lower than both the State of North Carolina at 3.7% and the U.S. rate at 4.1% as displayed.

Fortune Magazine's annual Fortune 500 list, which ranks American businesses by revenue, ranked two Raleigh headquarters within the top 500, First Citizens Bank at #293 and Advance Auto Parts at #389. Another local company with headquarters in Raleigh, Martin Marietta, which specializes in building materials such as rock and sand, landed at the #547 spot.

The nearby Research Triangle Park (RTP) was founded in 1959 for industrial, governmental, and scientific research and spans more than 7,000 acres in both Wake and Durham counties and sits between three Tier-1 research universities. Its primary objective is attracting research related institutions to the area and is one of the largest research parks in the U.S.

The Triangle has many large satellite offices for some of the country's largest companies and many are located in RTP. Its corporate residents currently consist of more than 385 organizations, below is a list of the top ten employers in RTP. RTP companies employ more than 55,000 full-time equivalent employees and contract workers. Industries such as micro-electronics, telecommunications, biotechnology, chemicals, pharmaceuticals, and environmental sciences.

Company Name	Company Type
Fidelity Investments	Financial Services and Technology
IBM	Information Technology
Cisco Systems, Inc.	Technology
NetApp, Inc.	Unified Data Storage/Services, CloudOps Solutions
RTI International	Independement Scientific Research
LabCorp	Medical Diagnostics
National Institute of Environmental Health Sciences	Federal Government Biomedical Research
Biogen	Biotechnology
GlaxoSmithKline	Pharmaceuticals
Biogen	Biotechnology

Across Raleigh, the value of construction permits remained strong but declined from the prior year at \$1.9 billion in 2025, with numerous large-scale projects continuing to change the city's landscape. Below are highlights reported by the Downtown Raleigh Alliance (DRA) and the Hillsborough Street Community Service Corporation.

According to the DRA 2025 State of Downtown report, a staggering \$8.3 billion in development pipeline of projects are planned, under construction or completed since 2015. There has been significant residential growth with a +101% increase in population since 2015, accounting for over 15,500 downtown residents. Over the next 5 years, the projected population will increase by +8,600 residents. In 2024, an economic development strategy was commissioned by the City and the Downtown Raleigh

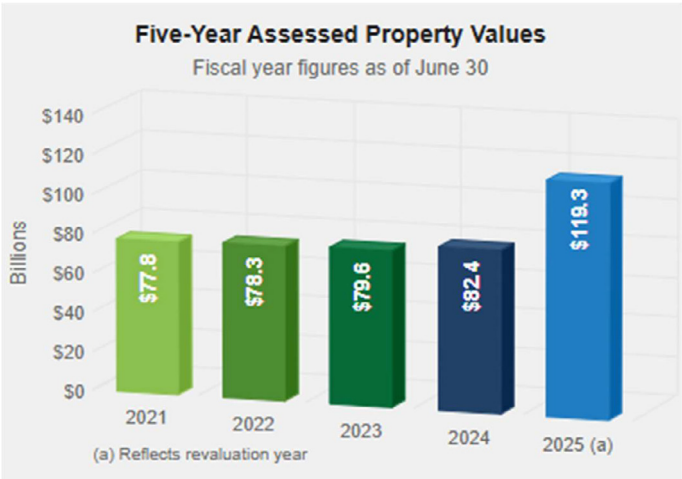


Alliance to ensure Raleigh builds on its strengths as it looks to the future. A series of four focus areas is highlighted in the chart. The 2025 State of Downtown report highlighted many implementation updates including: investments in Fayetteville Street Streetscape and Moore Square enhancements, planning efforts for revisioning Nash Square, and artistic wayfinding signs to name a few.

The Hillsborough Street Community Service Corporation, a municipal service district, which covers a 3-mile-long corridor, released its Hillsborough Street Development Projects report in March 2025 highlighting the private development within its boundaries. Since 2020 the district has had a total of 18 projects totaling \$316 million which are completed, under construction or proposed. These projects range from apartments to commercial mixed-use to luxury condominiums.

The City is authorized 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 authorized to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the governing council.

In North Carolina, real estate reappraisals are required to be conducted at least once every eight years. Wake County currently performs reappraisals on a four-year cycle. In March 2025 the County Commissioners elected to move to a two-cycle. This change will start with a three-cycle then move to a two-year cycle, the next revaluation will be effective January 1, 2027, and then January 1, 2029. The change is designed to smooth out the property revaluation process and to ensure a more equitable property tax system. The city's taxable property base remains balanced with industrial and commercial properties to complement its residential base. The most recent County reappraisal process occurred for the calendar year January 1, 2024, and was reflected in the fiscal year 2025 adopted budget.



TRANSPORTATION AND TRANSIT

The North Carolina Department of Transportation (DOT) released North Carolina: The State of Aviation in February 2025, which highlights the economic impact of airports. The report stated Raleigh-Durham International Airport (RDU) has an annual impact of \$24.1 billion on the economy and supports +139,000 direct and indirect jobs. RDU reported ending the 2024 calendar year with 15.5 million travelers compared to 14.5 million in 2023, an increase of 6.5 percent and now services 66 domestic and 14 international cities.

According to Amtrak, Raleigh is one of the top five stations in the Southeast with ridership of 261,000 for 2024. Raleigh Union Station, a joint initiative of the City, GoTriangle, the State Department of Transportation/Rail Division and the Federal Railroad Administration, is a \$100 million investment in rail infrastructure in the downtown area of the City. A multimodal hub, the project has relocated Amtrak service to the emerging Warehouse District in downtown Raleigh. Union Station serves as a transportation hub for local and regional commuter and passenger rail, buses, taxis, bicyclists, and pedestrians.

After the fiscal year ended, Raleigh Union Station Bus Facility, also known as RUS Bus and funded by GoTriangle, held a ribbon-cutting in July and service began in August 2025. The facility highlights are included in the visual provided by GoTriangle.

The North Carolina Department of Transportation received \$1.1 billion in federal funding in December 2023 for a rail project connecting Raleigh to Wake Forest. The project includes new and upgraded tracks for the 18-mile section and is a section of the larger Raleigh to Richmond (R2R) line which will provide future high-performance passenger rail services connecting communities from Raleigh to Richmond, VA. The DOT said it intends to apply for additional federal funding for future segments of the line, and this project is being done in partnership between the N.C. Department of Transportation and the Virginia Rail Passenger Authority.

Raleigh Union Station Bus Facility Highlights



Off-street bus facility featuring six bays for passengers; two layover bays; waiting areas; passenger amenities; public restrooms; bike parking, bike racks and bike lockers; and access to Raleigh Union Station train service next door.



Accommodations for future GoRaleigh bus rapid transit (BRT) station on West Street.



Roadway improvements along Hargett, West, and Martin streets, including integrated street spaces, sidewalk and crosswalk improvements, and pedestrian-scale amenities.



New traffic signals at two intersections, W Hargett St at S West St and W Martin St at S West St.



Pedestrian and bicycle enhancements.



The North Carolina Turnpike Authority financed and constructed a partially completed outer loop (Interstate 540) in Wake County, also called the “Triangle Expressway.” The segment of the Interstate 540 loop currently open and in use spans from Holly Springs (southwest of the City) clockwise around the greater Raleigh area and currently terminates in Knightdale (east of the City). Portions of Interstate 540 are user-toll based. Efforts to extend and complete the Interstate 540 loop are currently underway. The “Complete 540 - Phase 1” project began in 2019 and extended the existing Interstate 540 loop from Holly Springs to the southeast approximately 17.8 miles to a newly constructed interchange with Interstate 40 (south of the City). Phase 1 opened to traffic in September 2024. The “Complete 540 – Phase 2” project will be the final segment of the Interstate 540 loop and will extend Interstate 540 from the Interstate 40 interchange (south of the City) to the northeast and connect to existing Interstate 540 in Knightdale. Phase 2 is currently under construction and is expected to open to traffic in late 2028.

Federal Transit Administration defines Bus Rapid Transit (BRT) as a high-capacity bus-based transit system that delivers fast and efficient service that may include dedicated lanes, busways, traffic signal priority, off-board fare collection, elevated platforms and enhanced stations.

Wake County voters’ approval of a ½ cent sales tax in November of 2016 for public transit initiatives created an ongoing partnership with Wake County’s Transit Planning Advisory Committee which enables municipalities throughout the region to broadly coordinate for future transit needs. The plan calls for building approximately 20 miles of transit lanes along four bus rapid transit (BRT) corridors within Wake County (Wake BRT). The Wake County Transit Plan received federal funding, and a groundbreaking was held in November 2023, with the first phase of construction awarded in July 2025 with construction to begin in the Fall of 2025 on the first corridor, the New Bern Bus (BRT) project. To compliment the work there are ongoing community efforts; equitable development around transit (EDAT) and art integration.

EDAT focuses on zoning rules to encourage the type of development that will support BRT transportation and station area planning along the corridor. The art integration along with BRT projects will transform civic spaces and will celebrate unique stories and the City’s collective history. The Northern Corridor will connect Downtown Raleigh to Midtown Raleigh and Triangle Town Center and is in the planning phase. The Southern Corridor will connect downtown Raleigh with the North South Station and Rupert Road in Garner, and the Western Corridor will connect downtown Raleigh to downtown Cary and are in the various stages of the design phase.

VISITOR AND RECREATIONAL CENTERS

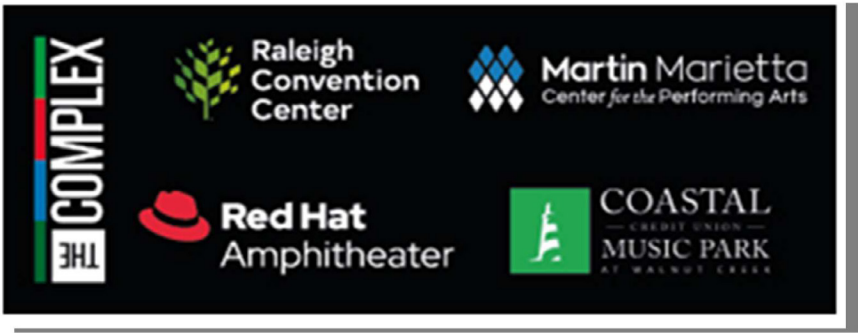
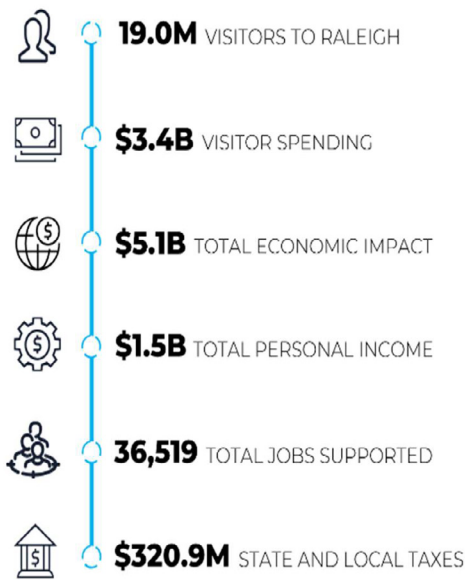
According to the Greater Raleigh Convention and Visitors Bureau (Visit Raleigh), Wake County welcomed a record 19 million visitors in 2024 for conferences, special events, shopping, and other attractions, which was an increase of 2.7% from 2023. A record-breaking \$3.4 billion was spent in our community because of visitation which is a 5.1% increase when compared to prior year. This created a total economic impact of \$5.1 billion. The report highlights are shown on the right.

Visitor experiences are enhanced by facilities such as the Raleigh Convention Center, Red Hat Amphitheater, Lenovo Center, Coastal Credit Union Music Park at Walnut Creek, the Martin Marietta Center for the Performing Arts, numerous state museums, and major retail shopping malls.

The Convention Center held 163 events with 392,568 attendees and the Martin Marietta Center for the Performing Arts held 552 events with 348,204 attendees. The Red Hat Amphitheater held 50 events and brought 164,202 attendees downtown. In 2024, the amphitheater produced \$33.7 million in total economic impact from 50 concerts. Memorial Auditorium, at the Martin Marietta Center for the Performing Arts, hosted a diversified series of plays and performances including productions of the NC Theatre and the Broadway Series South. The Martin Marietta Center for the Performing Arts is also the home of the North Carolina Symphony and the Carolina Ballet and features four performing arts theaters. The Coastal Credit Union Music Park, which specializes in hosting large concerts, held 30 events with attendance of 314,402 during the 2025 concert series.

Visitors Generate Significant Economic Impact

In 2024, 19.0 million visitors spent \$3.4 billion in the Raleigh economy, generating a total economic impact of \$5.1 billion.



The Lenovo Center is home to the Carolina Hurricanes hockey team and the North Carolina State University’s Wolfpack basketball team. Over 1.5 million guests visit the Lenovo Center annually, which hosts over 400 events ranging from sporting events, major concert tours and family-friendly shows. The Centennial Authority, which owns and operates the building, reports contributing more than \$260 million to the Wake County economy. In March 2025, North Carolina State University at the Lenovo Center hosted the NCAA Division I Men’s first and second round basketball tournament. According to the Greater Raleigh Convention Center and Visitors Bureau the games generated \$16.4 million in direct economic impact.

In February 2025, the USA TODAY 10BEST named three Raleigh museums to the list. Marbles Kids Museum was #6 on the list for best free children's museum and both Museum of Natural Sciences was #3 and the Museum of Art #8 were on the list for best free museum list.

Raleigh is referred to as the “Smithsonian of the South” with a rich cultural array of museums. The North Carolina Museum of Natural Sciences is North Carolina’s most visited museum with over 1.0 million visitors annually and the Southeast’s largest natural history museum. The Museum of Art covers over 5,000 years of art and history and includes a 164-acre park. Both museums are free to attend. CAM Raleigh is an art museum located in the downtown warehouse district which supports emerging contemporary artists. The Museum of History explores the history of the state of North Carolina, and the City of Raleigh Museum is dedicated to preserving Raleigh’s past. Marbles Kids Museum, which opened in 2007, caters to children of all ages with hands-on learning, themed exhibits and an IMAX theater featuring documentaries and feature films.



The City is a music festival hotspot hosting live music covering many music genres. For several years, the Dreamville Festival has been held in April at Dorothea Dix Park. The festival is an outdoor weekend music celebration curated by internationally acclaimed hip-hop superstar, J. Cole. The 2025 event was attended by over 50,000 music lovers each day. Hopscotch Music Festival, known for its adventurous lineups, has been held downtown for many years and features more than 100 artists. The 14th annual event drew attendance of 24,000 music lovers in September.

The City hosts many festivals and cultural events throughout the year in its downtown core, several are highlighted here. Brewgaloo, North Carolina’s largest craft beer festival is held annually downtown. The festival celebrates all things local and is a two-day event featuring N.C. craft beer, food, vendors and bands. As the longest running art festival in Raleigh, Artsposure featured over 175 artists in an art market to celebrate its 46th year. Aside from the market, visitors will find musical performances to magic shows to a variety of crafts. The African American Cultural Festival of Raleigh and Wake County is an annual celebration of African American culture and features music, arts, crafts and food vendors. The family friendly event is free and held its 15th annual event in September with close to 50,000 attendees and featured local and national talent which showcase R&B, jazz, hip hop, gospel and more. La Fiesta del Pueblo celebrated its 30th year in the fall of 2024 as the Triangle’s largest and most diverse festival of Latin American culture. The event features activities for the whole family and includes dance performances, artists, food trucks and activities with attendance reaching 20,000.

In addition to music and other events, the N.C. State Fair is held annually in the fall with a mission to “showcase and promote

the state's agriculture, agribusiness, arts, crafts and culture through the annual agriculture fair". The event features educational attractions, carnival rides, crafts, demonstrations, music stages, competitions and food. Visitor attendance records for the 11-day event reached almost 1 million in 2024, the 6th largest in the fair's 156-year history.

The City boasts an award-winning park system with more than 200 parks featuring classes and programs, art centers, athletic facilities, community centers, lakes, nature preserves, dog parks, playgrounds, swimming pools, greenway trails, historic sites, open spaces, and more. With 100 miles of paved greenways, 115 playground locations, 60 ballfields, 22 athletic field open spaces, 112 tennis courts, 12 pickleball courts, 1 futsal court, 9 aquatic facilities, 10,300 acres of parks and greenways and 38 neighborhood and community centers. The Raleigh Parks Plan establishes a long-range vision for the programs, facilities, land, and resources that make up Raleigh's park system. Originally adopted in 2014 and updated in 2024, this plan reflects the community's top priorities for



Raleigh's park system. The Parks Plan is a community-based project to help create the system of tomorrow and includes three project milestones, identifying needs, visioning and acting.

The Wake County Board of Commissioners and the Raleigh City Council approved funding commitments to support enhancements to the PNC Arena, a Convention Center Hotel and a Convention Center Expansion using Wake County occupancy and prepared food and beverage taxes. These projects will support continued growth and success of the Raleigh Convention Center and broader downtown tourism. The new development will include an upscale Omni Resorts convention hotel of approximately 600 rooms which, when developed, will allow the City to host larger conferences. To host these events, the Convention Center expansion design is underway for the \$387.5 million expansion which starts with the relocation of Red Hat Amphitheater. The highly anticipated convention center expansion is anticipated to open in 2028 and will include approximately 80,000 square feet of flexible event space and 20 meeting rooms. These projects remain a unique, once-in-a-lifetime opportunity to develop a convention center hotel on a prime vacant lot in downtown Raleigh which will support the Convention Center expansion and continued visitation. Innovation, quality design and construction, and sustainability are important values to the City for these transformational projects.

MAJOR INITIATIVES

The City continues to make sustained progress on a number of strategic priorities which include improving infrastructure and transportation networks citywide, enhancing public safety, expanding affordable housing options, investing in activities that promote continued economic growth and prosperity, advancing sustainability initiatives, and upgrading the city's expansive park networks and cultural amenities, among many other activities. The City has allocated significant dedicated funding to support affordable housing initiatives, street resurfacing and pavement management as well as park maintenance.



The City of Raleigh has been awarded the Bloomberg Philanthropies ‘What Works Cities’ certification at the Silver level. The certification is for establishing exceptional data capabilities to inform policy, allocate funding, improve services, evaluate programs, and engage residents. The What Works Cities Certification standard reflects the practices, policies, and infrastructure municipalities must have to effectively harness data for better decision-making.



A PLACE TO CALL HOME

With a city as dynamic as Raleigh, quality housing options for everyone are a challenge. The City of Raleigh does its part to encourage developers to include affordable units in their projects. The City also maintains a limited fund to help residents with support ranging from payment assistance to routine maintenance. This is a tricky puzzle, but the City is tackling it piece by piece so that everyone has a place to call home. The Housing and Community Development department improves the quality of life for Raleigh's residents by adding affordable housing,

improving existing affordable housing, revitalizing older neighborhoods, and supporting related human services. The department is committed to improving and maintaining the quality of life and environment for all City of Raleigh residents by enforcing City codes.

The Bioenergy Recovery Project will make Raleigh the first municipal wastewater digester that will be producing renewable natural gas in North Carolina. The facility will also be one of a just a few in the United States to use their renewable natural gas to run their own fleet.



TAKE ACTION FOR THE CLIMATE



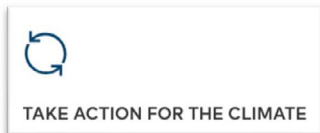
KEEPING UP WITH GROWTH

The City has continued to maintain its focus on improving its transportation network and completed a wide variety of transportation projects including bikeways, sidewalks, bridge maintenance, neighborhood traffic management programs, and street maintenance projects.



When a community member needs help, connection to the right resources is critical. Raleigh is moving forward with a more compassionate and comprehensive response system with the launch of Raleigh CARES. Raleigh CARES is the name chosen by the community. CARES stands for Crisis Alternative Response for Empathy and Support. Our mission is to connect the community to the resources and support they need. Raleigh CARES includes several key components designed to provide both immediate and long-term support. The 4 areas include a crisis call diversion line, navigation team, community response team and addressing crisis through Outreach, referrals, networking and service (ACORNS) program team.

WHEN COMMUNITY MEMBERS NEED HELP, RALEIGH CARES



With our Community Climate Action Plan as a guide, Raleigh continues to put strategies in place with the goal of reducing emissions. There are three main categories: 1) Transportation - the City's main source of GHG emissions. Learn about all the work we are doing to create a more walkable and transit-rich city with plenty of options for getting around - including in electric vehicles. 2) Buildings and Energy – the electricity and fuel the lights, heats, cools, and powers our buildings and equipment are another main source of emissions - and one where we have seen steep decreases in emissions in recent years. 3) Resilience, waste, and other topics - helping Raleigh become a city built to withstand climate change, with an emphasis on heat and flooding.

FINANCIAL PLANNING AND CONTROLS

The City strives to maintain a strong financial position as is evidenced by successive years receiving AAA/ Aaa ratings from the three major credit rating agencies. Meeting 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 creates a 10-year Capital Improvement Program (CIP) that looks ahead to plan for capital needs. Phase I is adopted and encompasses the first 5 years of the CIP and addresses both project needs and financial strategies. The capital plan consists of initiatives spanning transportation, water and sewer, parks and cultural resources, housing, stormwater, technology, convention & performing arts, and other general public improvements. Raleigh Water, which is a regional utility, represents the largest portion of the CIP with continuing infrastructure needs. Phase II of the CIP program spans the second 5-year period and includes longer range projects identified for the continuation of expanding and existing service levels to the residents of the City and regional utility.

A key financial goal of the City is the maintenance of a minimum unassigned fund balance level in the general fund. As a part of the City's continued fiscal stewardship and commitment to long-term financial planning, City Council approved a recommendation in the Fall of 2023 to increase the City's General Fund annual excess fund balance goal from 14% to 17% beginning in FY24. In addition, the City seeks to appropriate a consistent level of fund balance each year resulting from positive budget variances. Both goals were achieved during the 2024-25 fiscal year end. To support a change in the financial allocation of general fund revenues between the operating and debt service funds, the 2025-26 operating budget did include a decrease of the annual fund balance appropriation.

Financial models are also used in the budget process and provide a means of projecting long-term resource requirements. These tools 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. Raleigh remains committed to strong fiscal stewardship through its history of sound fiscal policies and practices.

The City adheres to management practices that ensure financial resources are managed in a prudent and fiscally responsible manner. These practices are embedded as a part of the annual budget process. Aside from fund balance levels and long-term planning, other examples of these practices regularly include evaluation and setting fees at levels designed to support the full cost of enterprise operations, quarterly monitoring and reporting of financial results. City management is responsible for establishing and maintaining a comprehensive internal framework. The framework is designed to protect City assets from loss, theft, or misuse; and compiles sufficient reliable information for the preparation of the City's financial statement. In conformance with accounting principles generally accepted in the United States of America. The City's comprehensive framework of internal controls is designed to provide reasonable assurance that the financial statements are free of material misstatement. Management attests to the best of our knowledge and believes that this report is complete and accurate.

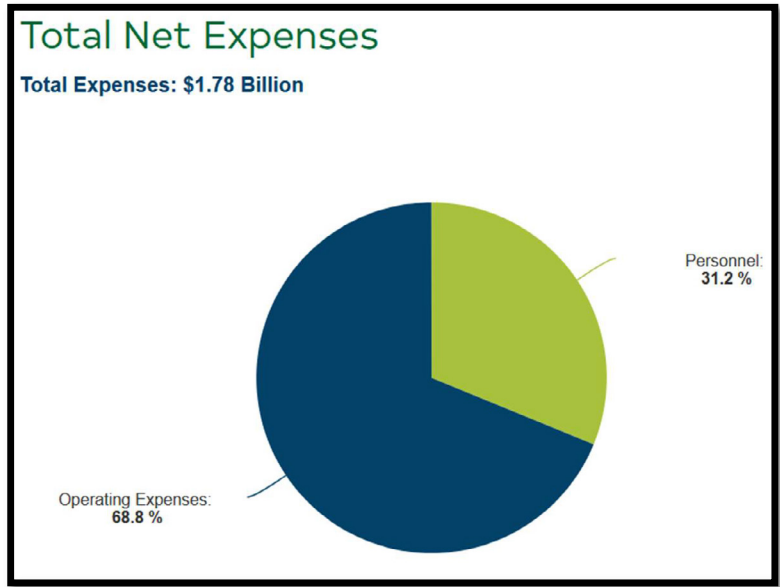
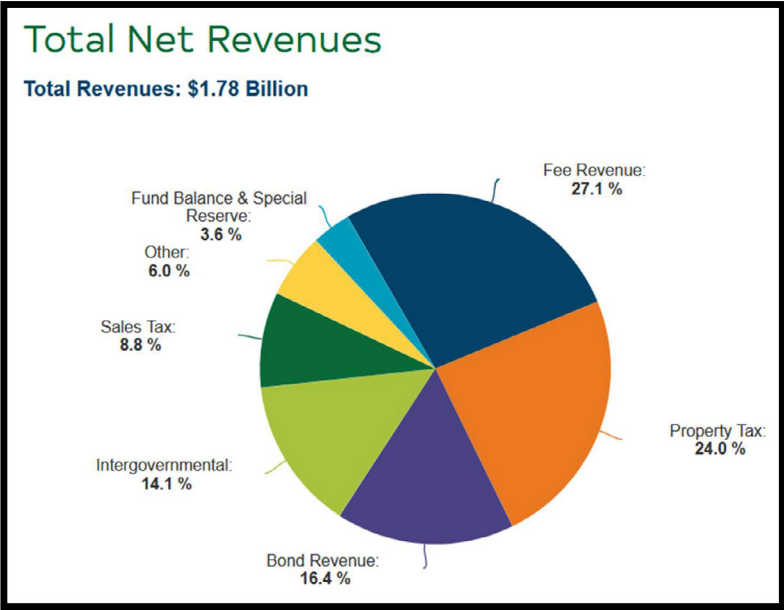
As a result of the City's financial planning strategy, prudent policies and internal control frameworks, the City remains well positioned to deliver resources needed to support operations and critical capital infrastructure for our growing City.

The Annual Budget serves as a foundation of the City's financial planning and fiscal control. The City Council is required to hold a public hearing on the proposed budget and to annually adopt a budget no later than June 30, the close of the City's fiscal year. The City adopts a budget ordinance at the fund level including the general operating fund, general debt service, enterprise operating, debt and capital, special revenue, grants, capital project and internal service funds.



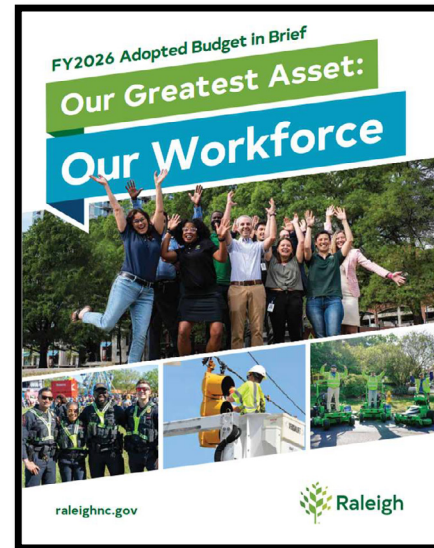
The appropriated budget ordinances are adopted at the fund level. Department heads may approve budget transfers within a fund up to \$10,000, while transfers with a fund between \$10,000 and \$50,000 require approval from the City Manager or designee. Transfers greater than \$50,000 and transfer of appropriations of any amount between funds require approval of the City Council.

The breakout of FY26 budgeted revenue and expenditures are shown below.



LOOKING AHEAD - FISCAL YEAR 2025-26

The fiscal year 2025-26 budget and the five-year capital improvement plan (CIP) were guided by the City's Strategic Plan, City Council's priorities and community input. The theme for the year is "Our Greatest Asset: Our Workforce" and reiterates the City's commitment to the selfless public servants who deliver high quality services to residents every day. The City Council, City staff, community partners, and the public have continued to develop new policy priorities to address existing and emerging needs in our community. With this budget, the City will continue to support strategic initiatives that have begun in recent years and implement new pilot initiatives.



The budget reflects priority operating and capital policy investments:

- Dix Park
- Operational Excellence
- Public Safety Operations
- Economic Advancement
- Affordable Housing
- Public Safety Infrastructure
- Transportation and Infrastructure

The City Council adopted the fiscal year 2025-26 Budget and fiscal years 2026-2030 Capital Improvement Program on June 9, 2025, at its Budget Work Session. The combined capital and operating budget for the fiscal year beginning July 1, 2025, totals \$1.78 billion and is a 25% increase over prior year.

The fiscal year budget included:

- No change to the City's tax rate of 35.50 cents per \$100 of assessed value.
- \$1.85 increase per month in Solid Waste Services to meet operational costs increases and reflects a fully self-supporting enterprise fund.
- \$1.91 increase per month for the average Raleigh Water residential customer to maintain the system and offset operational cost increases.
- \$0.57 increase per month for Stormwater to support staffing and accelerate capital projects.

The fiscal year 2026-2030 Capital Improvement Program totals \$2.5 billion, with \$616.9 million planned for fiscal year 2025-26. The City's capital improvement program includes major facility and equipment needs, establishes capital priorities, and schedules funded projects.

Information on the budget can be found on the City's website, including Budget Highlights, Adopted Operating and the Adopted Capital Improvement Program book. It should be noted that the City's budget document received the Distinguished Budget Presentation Award from the Government Finance Officers Association (GFOA) for the fiscal year beginning July 1, 2024. The information is available at the department link below: <https://raleighnc.gov/budget-and-management-services>

AWARDS AND ACKNOWLEDGMENTS

GFOA's Triple Crown recognizes governments that have received GFOA's Certificate of Achievement for Excellence in Financial Reporting, Popular Annual Financial Reporting Award, and the Distinguished Budget Presentation Award.

The City has participated in the 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-four (44) consecutive years.

A Certificate of Achievement is valid for a period of one year only. The Finance Department is confident 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.

Additionally, the City received a GFOA award for Outstanding Achievement in Popular Annual Financial Reporting for the Fiscal Year 2024. To receive the award, the report is designed to be easily understandable to the public. The award is valid for a period of one year. The City has received this award for the past 11 years and will submit the Fiscal Year 2025 report into the certificate program.

The preparation of this report has been accomplished by the City's Finance Department. The contributions of all are invaluable and clearly reflect the high standards set at the City of Raleigh. We commend all City employees for their integrity, professional competency, and dedication to the work of the city throughout the year. Their commitment to maintaining the highest standards of professionalism is the foundation to the City's financially strong health.

We also credit the Mayor and members of the City Council for the excellent financial position of the City through their support and leadership 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 Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2024

Christopher P. Morill

Executive Director/CEO



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A decorative pattern of stylized leaves in various shades of green and yellow, arranged in a repeating, overlapping fashion across the top half of the page.

Financial Section

A dark, blue-toned photograph of a city skyline at night. The image shows several tall buildings with lit windows, a highway with a speed limit sign, and some trees in the foreground. The overall mood is professional and modern.

SPEED LIMIT
35

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Report of Independent Auditor

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

Report on the Audit of the Financial Statements

Opinions

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, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof, and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

As discussed in Note 4.E to the financial statements, beginning net position and fund balances were restated due to the adoption of GASB Statement No.101, *Compensated Absences*, and a correction of an error. Our opinion is not modified with respect to that matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 2025, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Cherry Bekaert LLP

Raleigh, North Carolina
October 31, 2025

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, 2025. 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 2024-25 fiscal year ended with the City achieving key indicators of a sound financial position. These key indicators included positive budget variances, increases to fund balance based upon positive operational results, growth of general tax and business-type revenues, and 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 for the fiscal year ended June 30, 2025:

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources by \$4,283.0 million (*net position*).
 - This amount represents a \$385.8 million increase in operating results from the prior year, or 9.9%
 - Of this amount, \$1,142.9 million (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors
 - \$491.9 million unrestricted net position for governmental activities
 - \$651.0 million unrestricted net position for business-type activities
- The City's governmental funds reported combined ending fund balances of \$1,061.5 million.
 - \$596.9 million, or 56.2% is assigned for specific purposes
 - \$140.4 million, or 13.2% is unassigned in the general fund and is available for spending
 - \$105.4 million, or 9.9% is considered nonspendable
 - \$218.9 million, or 20.6% is restricted by outside agencies
- The fund balance for the general fund was \$605.4 million, a 11.3% increase over the prior year and exceeded the City's policy associated with unassigned fund balance.

➤ Highlights of financing activities for the City are as follows:

- The City has consistently maintained its Aaa rating from Moody's Investors Service and AAA ratings from Standard & Poor's Rating Services as well as Fitch Ratings. These ratings have been maintained for both general obligation and water and sewer bonds.
- The City issued General Obligation bonds to close the General Obligation Bond Anticipation Note (BAN) program which was opened in the spring of 2023.
- A new General Obligation BAN program which totals \$264.5 million was opened in the spring of 2025. The program allows for draws associated with voter-approved general obligation bonds for streets, parks and housing and \$32.6 million was outstanding at year end.
- The City continued its \$215.0 million Revenue BAN program supporting water and sewer capital projects that started in the spring of 2023. The Revenue BAN program allows for draws to finance capital projects for the regional Raleigh Water enterprise operation and \$176.7 million was outstanding at year end.
- The City continued its \$100.0 million Limited Obligation BAN program which was started in the spring of 2024. The program allows for draws associated with the City's new City Hall and public safety needs across the City. As of June 30, 2025, \$58.6 million was outstanding.
- The City issued \$145.1 million in new limited obligation bonds to fully refund certificates of participation for the convention center.
- The City issued \$63.2 million in new installment financing agreements for the purchase of rolling stock equipment for governmental and business-type activities.

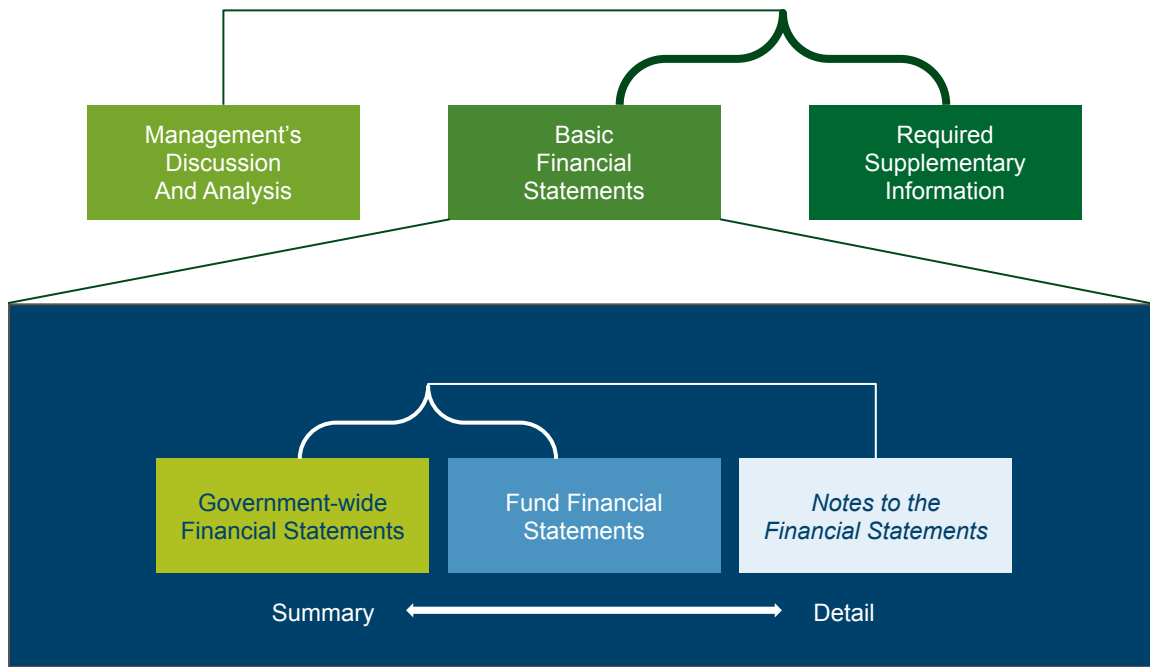
OVERVIEW OF THE FINANCIAL STATEMENTS

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 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 compensated absences).

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 operations, 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 24-27 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 City's funds 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 sixteen 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 fifteen 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 28-33 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 36-43 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 44-45 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 47-96 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 73-80 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 114-181 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 \$4,283.0 million at the close of the most recent fiscal year, which increased by \$385.8 million from the previous fiscal year.

The following table reflects the condensed Statement of Net Position:

City of Raleigh's Net Position (in millions of dollars)						
	Governmental Activities		Business-Type Activities		Total Activities	
	2024	2025	2024	2025	2024	2025
Current and other assets	\$ 1,163.9	\$ 1,323.4	\$ 769.0	\$ 884.0	\$ 1,932.9	\$ 2,207.4
Capital assets	1,491.7	1,636.3	2,872.1	3,030.7	4,363.8	4,667.0
Total assets	2,655.6	2,959.7	3,641.1	3,914.7	6,296.7	6,874.4
Deferred outflows of resources	140.7	126.1	52.5	44.4	193.2	170.5
Total assets and deferred outflows of resources	2,796.3	3,085.8	3,693.6	3,959.1	6,489.9	7,044.9
Long-term liabilities outstanding	684.7	816.1	1,166.6	1,212.4	1,851.3	2,028.5
Net pension liabilities	363.7	359.6	115.8	113.6	479.5	473.2
Other liabilities	84.0	107.4	111.6	96.5	195.6	203.9
Total liabilities	1,132.4	1,283.1	1,394.0	1,422.5	2,526.4	2,705.6
Deferred inflows of resources	44.4	36.6	22.0	19.8	66.4	56.4
Total liabilities and deferred inflows of resources	1,176.8	1,319.7	1,416.0	1,442.3	2,592.8	2,762.0
Net investment in capital assets	872.6	970.4	1,745.7	1,865.8	2,618.3	2,836.2
Restricted	512.1	303.9	-	-	512.1	303.9
Unrestricted	234.9	491.9	531.9	651.0	766.8	1,142.9
Total net position	\$ 1,619.6	\$ 1,766.2	\$ 2,277.6	\$ 2,516.8	\$ 3,897.2	\$ 4,283.0

By far the largest portion of the City's net position (\$2,836.2 million or 66.2%) reflects its investment in capital assets (e.g. land, buildings, machinery, equipment, and intangible right to use lease and IT subscription assets) net of any related debt used to acquire those assets that is 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 (\$303.9 million or 7.1%) represents resources that are subject to external restrictions on the use of these resources. The largest two portions of restricted net position are for community development (\$101.7 million) and debt service (\$106.5 million). The remaining balance of unrestricted net position (\$1,142.9 million or 26.7%) may be used to meet the City's ongoing operations.

Changes in Net Position: The City's results yielded an increase of \$394.3 million in net position. The increase from prior year is a direct result of the City's revenue growth relating to general property and other taxes as well as charges for services both in the governmental and business-type activities. The City continued its investment in capital infrastructure and diligent monitoring of expenditures which also yielded positive fiscal impacts.

The City's 2024-25 governmental activities net position was restated by \$2.8 million due to the required implementation of GASB Statement No. 101, "Compensated Absences." In addition, the City's 2024-25 governmental activities net position was restated by \$5.6 million due to a correction of an error as it pertains to accounting for assets and revenues for federal grants specific to grants associated with pre-award spending authorization.

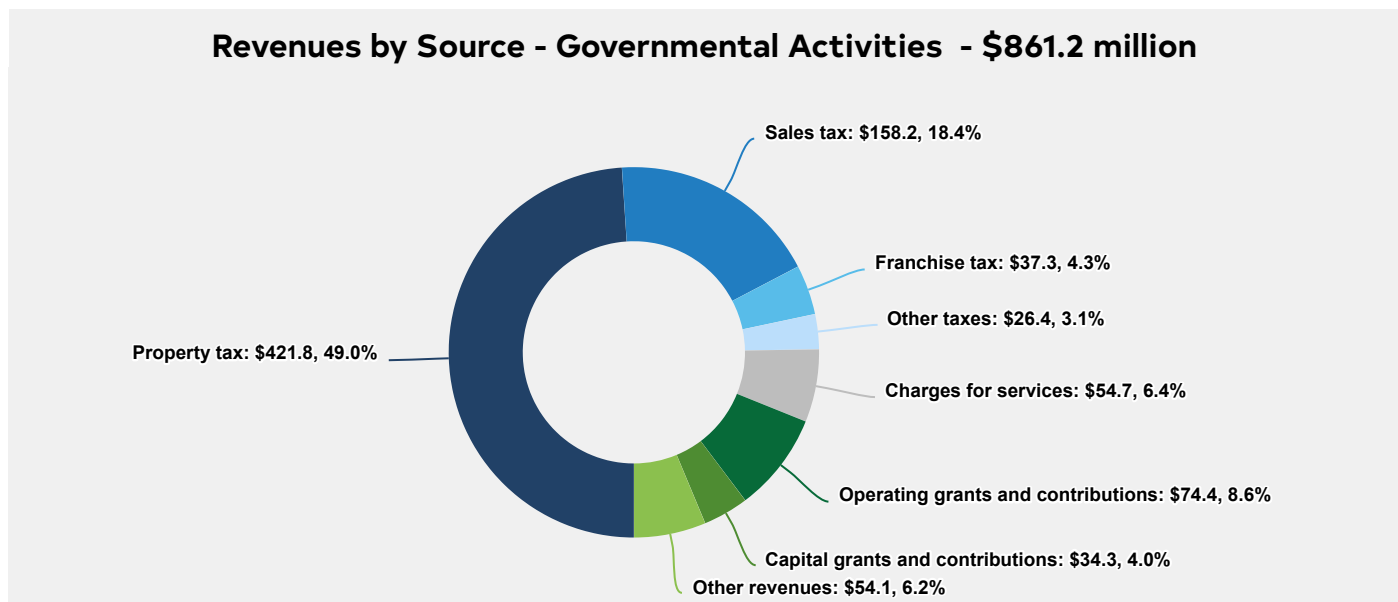
City of Raleigh's Changes in Net Position (in millions of dollars)

	Governmental Activities		Business-Type Activities		Total Activities	
	2024	2025	2024	2025	2024	2025
Revenues:						
Program revenues:						
Charges for services	\$ 49.9	\$ 54.7	\$ 424.9	\$ 457.1	\$ 474.8	\$ 511.8
Operating grants and contributions	80.0	74.4	50.2	43.8	130.2	118.2
Capital grants and contributions	70.6	34.3	74.8	64.4	145.4	98.7
General revenues:						
Property taxes	359.7	421.8	-	-	359.7	421.8
Other taxes	215.5	221.8	-	-	215.5	221.8
Other	51.1	54.1	31.5	34.4	82.6	88.5
Total revenues	826.8	861.1	581.4	599.7	1,408.2	1,460.8
Expenses:						
General government	93.3	97.2	-	-	93.3	97.2
Community development services	37.1	60.3	-	-	37.1	60.3
Public infrastructure	108.6	107.7	-	-	108.6	107.7
Public safety	214.8	246.4	-	-	214.8	246.4
Leisure services	83.2	93.2	-	-	83.2	93.2
Economic development programs	17.6	-	-	-	17.6	-
Interest on long-term debt	19.3	22.1	-	-	19.3	22.1
Water and sewer	-	-	231.9	235.6	231.9	235.6
Convention center complex	-	-	39.5	40.6	39.5	40.6
Mass transit	-	-	52.3	70.4	52.3	70.4
Parking facilities	-	-	15.1	15.0	15.1	15.0
Solid waste services	-	-	45.7	47.9	45.7	47.9
Stormwater management	-	-	28.5	30.2	28.5	30.2
Total expenses	573.9	626.9	413.0	439.7	986.9	1,066.6
Increase in net position before transfers	252.9	234.2	168.4	160.0	421.3	394.2
Transfers in (out)	(55.5)	(79.1)	55.5	79.1	-	-
Increase in net position	197.4	155.1	223.9	239.1	421.3	394.2
Net position, beginning of year	1,422.1	1,619.5	2,053.8	2,277.7	3,475.9	3,897.2
Adjustment to restate the July 1, 2024 net position	-	(8.4)	-	-	-	(8.4)
Net position July 1, 2024, as restated	1,422.1	1,611.1	2,053.8	2,277.7	3,475.9	3,888.8
Net position, end of year	\$ 1,619.5	\$ 1,766.2	\$ 2,277.7	\$ 2,516.8	\$ 3,897.2	\$ 4,283.0

GOVERNMENTAL ACTIVITIES

Revenues for the City's governmental activities which are predominately from property and other taxes were \$861.1 million, while expenses were \$626.9 million. The increase in net position from operations for governmental activities (after transfers out of \$79.1 million) was \$155.1 million.

The current year revenue increase was driven primarily by property tax collections, sales tax collections, and investment income which was positively driven by the interest rate environment. The overall composition of revenue sources was consistent with prior year actuals. Current year expenses increased and are in-line with expected annual operating increases.



The reported results for the fiscal year for governmental activities:

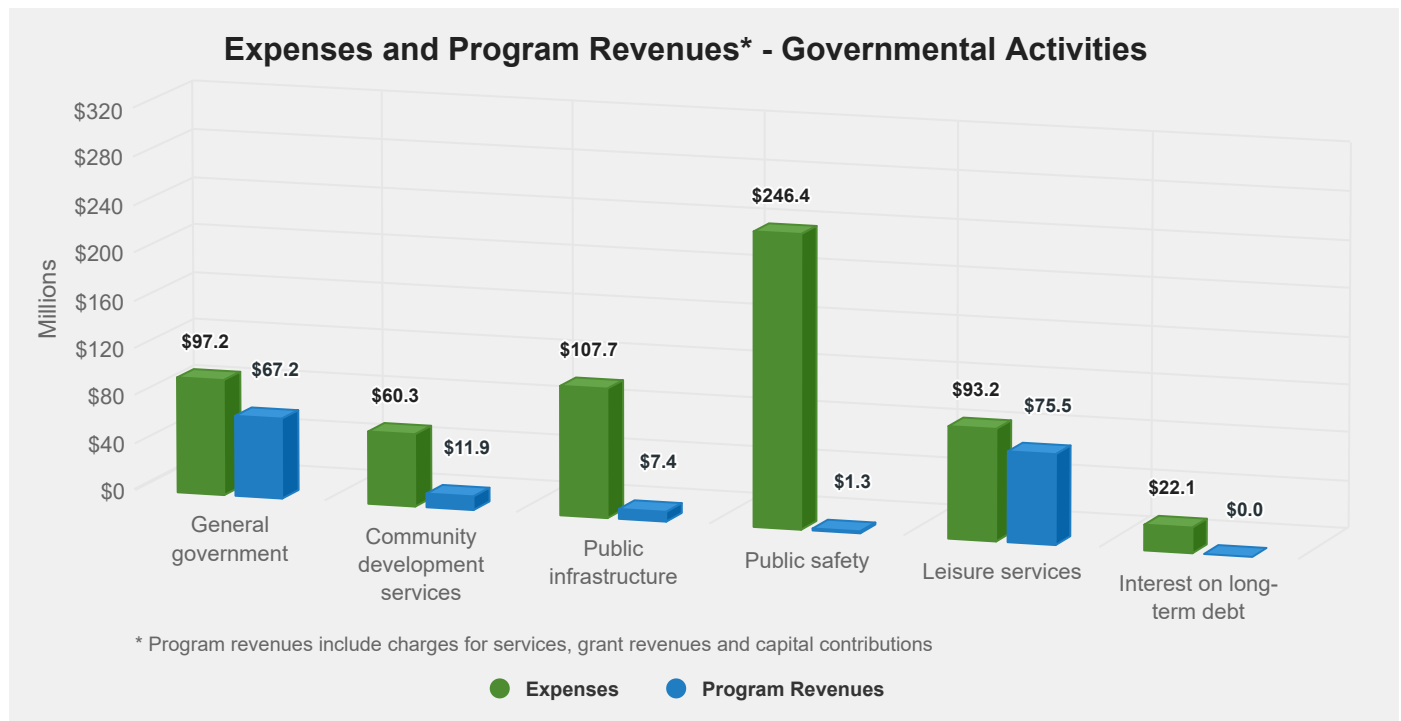
- The City received \$697.7 million (or 81.0%) in general revenues from taxes and other revenues:
 - Property taxes - \$421.8 million
 - Other taxes - \$221.8 million of which the largest includes:
 - Sales taxes - \$158.2 million
 - Franchise taxes - \$37.3 million
 - Other revenues - \$54.1 million primarily representing unrestricted investment earnings
- General revenues are used to pay for the \$463.6 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 \$54.7 million in charges for those services.
- Other governments and organizations subsidized certain City programs with grants and contributions totaling \$108.7 million.

- Support from various federal, state, and local agencies – \$63.8 million.
 - Interlocal support from Wake County for debt service and other expenses on the convention center complex – \$48.7 million.
- The total cost of all governmental activities this year was \$627.0 million. This cost was incurred to provide comprehensive municipal services. 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 (examples include, city management, finance, human resources and information technology).

The City's four largest governmental programs represent 86.9% of the total governmental activities:

- Public safety – 39.3%
- Public infrastructure – 17.2%
- General government – 15.5%
- Leisure services – 14.9%

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 routinely used to subsidize the difference between program expenditures and program revenues.



BUSINESS-TYPE ACTIVITIES

Revenues of the City's business-type activities were \$599.7 million where the largest revenue sources are for charges for services, and expenses were \$439.6 million. The increase in net position from operations for business-type activities (after transfers in of \$79.1 million) was \$239.1 million.

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

Net Cost of Business-Type Activities (in millions of dollars)					
	Total Cost of Services		Net (Cost) Revenue of Services		
	2024	2025	2024	2025	
Water and sewer	\$ 231.9	\$ 235.6	\$ 148.4	\$ 156.3	
Convention center complex	39.5	40.5	(20.3)	(17.2)	
Mass transit	52.3	70.4	5.4	(20.6)	
Parking facilities	15.1	15.0	(1.1)	1.0	
Solid waste services	45.7	47.9	(2.8)	(1.7)	
Stormwater management	28.5	30.2	7.4	8.0	
Total	\$ 413.0	\$ 439.6	\$ 137.0	\$ 125.8	

The largest business-type operation is the City's regional water and sewer utility, Raleigh Water. Water and sewer utility operations are supported by financial models to ensure both operational and capital infrastructure needs are maintained and properly funded. In addition, the department utilizes an Asset Management Plan, which is a risk-based prioritization process of infrastructure replacement needs to mitigate risks of failure. Water and sewer operating revenue of \$327.8 million in 2024-25 reflects an increase of 5.4% from the prior year. The increase in revenue was consistent with management's expectations, primarily due to approved rate increases, average residential increase of \$1.58 per month, required to achieve financial investments associated with the ongoing demands of capital infrastructure improvements. Operating expenses of \$206.0 million moderately increased 1.4% from prior year primarily due to increased personnel costs and other operational increases and are in line with management's expectations.

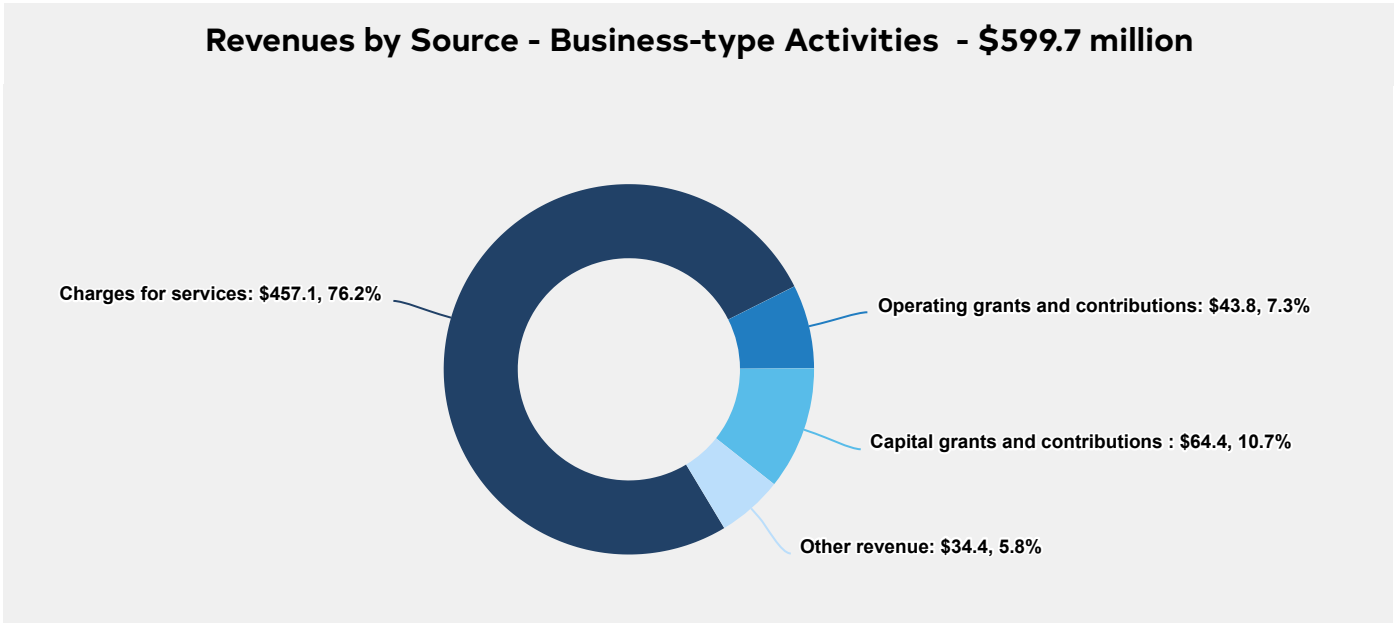
The Convention Center Complex operations recognized \$23.4 million of operating revenues in 2024-25, a 21.8% increase from prior year as conventions, events and concert events increased. Operating expenses of \$34.4 million increased 6.9% from 2023-24 as events and operations returned and resulted in the need for additional operating expenses and personnel required to support event operations. The Convention Center Complex is partially funded by outside sources, specifically the Wake County interlocal room occupancy tax as well as prepared food and beverage tax which is predominately used to support debt service. In addition, the general fund provides a subsidy to the Performing Arts Center. The Convention Center Complex met management expectations with the volume of concerts, conventions, and other business events.

The Parking enterprise operations generated \$15.9 million of operating revenues in 2024-25, an increase of 13.6% from prior year. Revenues increased in on-street, off-street and special event parking as a result of increases in utilization and special events within the downtown area. Operating expenses of \$13.4 million are higher than the prior year, and management continues to monitor the parking enterprise.

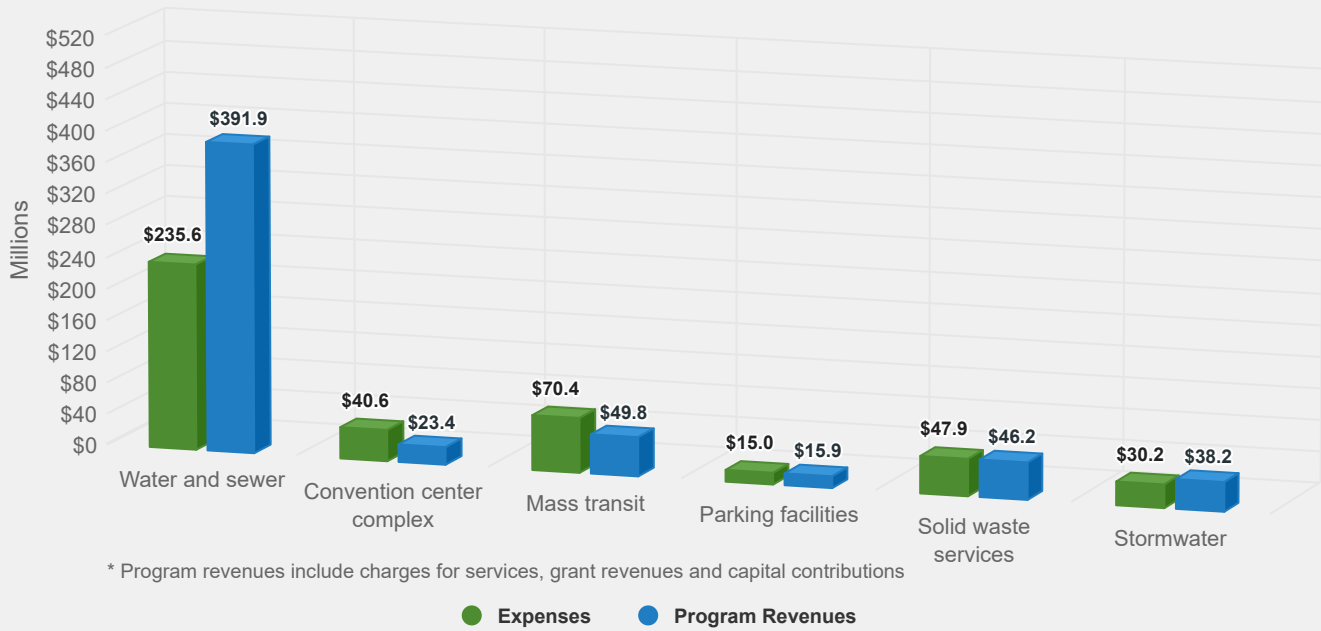
Mass transit operating revenues of \$2.4 million in 2024-25 reflects an increase of 31.8% over the prior year as the City Council elected to resume bus fares in the fall of 2024 after suspending fares in March 2020. Operating expenses increased to \$70.4 million, or a 34.8% increase compared to the prior year primarily due to the restoration of normalized route operating and maintenance costs. The mass transit operations continue to be subsidized by the general fund, by federal and state grant funds as well as the Wake County Transit Plan, which is funded by a half-cent sales tax collected within the county to support new and improved transit services. Management continues to monitor operations.

Stormwater management generated operating revenues of \$38.1 million in 2024-25, an increase of 6.1% from prior year, the result of \$0.29 per month increase per Single-Family Equivalent Unit (SFEU). The approved rate increase was implemented to support Stormwater's operating and capital improvement program. Stormwater management deployed a long-term financial model designed to consider the future capital infrastructure. Operating expenses of \$30.3 million increased 6.6% from 2023-24, which reflects an increase in personnel services required to support the growing enterprise capital plan initiatives. Results are consistent with management's expectations.

Solid waste services operating revenues of \$45.8 million in 2024-25 reflects a 7.9% increase from the prior year due to an approved \$1.70 per month rate increase on residential waste collections. Solid waste services operations continue to be partially subsidized by the general fund. Operating expenses of \$48.6 million increased slightly by 6.0% driven largely by personnel services and operational costs to support the enterprise. Overall, solid waste services results are in line with management's expectations.



Expenses and Program Revenues* - Business-type Activities



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 \$1,061.5 million, an increase of \$88.4 million or 9.1%, in comparison with the prior year. The general fund's portion of fund balance represents 55.7% of the total while the remaining portion represents the nonmajor governmental fund categories of special revenue funds (20.6%) and general capital project funds (23.7%). The fund balance increase in 2024-25 was the result of strong financial results and a continued commitment to the management of recurring expenditures.

Classification of fund balance is as follows:

- Approximately 9.9% is *nonspendable*, representing the City's investment in inventories, leases as well as loans receivable arising from community and economic development program initiatives.
- Approximately 20.6% is not available and *restricted* for:
 - Stabilization by state statute - \$84.0 million representing a \$5.9 million increase over the prior year and is calculated by a prescribed methodology.

- Debt service costs - \$106.5 million, the restriction is specific to the Special Revenue Convention Center Financing fund which accounts for the hotel and motel occupancy as well as prepared food and beverage taxes which finance the Convention Center Complex.
 - Unspent capital debt proceeds - \$18.1 million, which relates to bond cash on hand.
 - Federal program reserves - \$3.2 million of which \$1.2 million is State and Local Fiscal Recovery fund.
 - Inspections NC state statute 160-414(c) - \$2.2 million is required by state statute to restrict inspection revenues in excess of inspection expenditures.
 - Public safety - \$5.0 million is a restriction within the Special Revenue Emergency Telephone System fund.
- Approximately 56.3% constitutes *assigned* fund balance, which is available for spending at the government's discretion.
- \$278.6 million is assigned for debt service representing the fund balance within the City's general debt fund to be used towards existing and planned capital debt service needs.
 - \$265.4 million is assigned for city projects and subsequent year's appropriation categories, which represent fund balances accumulated within special revenue and general capital projects funds that have been set aside to fund future city projects.
 - \$51.4 million is assigned specifically for community development programs.
- The remaining 13.2% is *unassigned* and represents the City's residual net resources.

Governmental Fund Balance Classification at June 30, 2025 (in millions of dollars)

	Major General Fund	Nonmajor Governmental	Total Governmental	%
Nonspendable	\$ 27.1	\$ 78.3	\$ 105.4	9.9%
Restricted:				
State statute	84.0	-	84.0	7.9%
Debt service	-	106.5	106.5	10.0%
Unspent capital debt proceeds	-	18.1	18.1	1.7%
Federal programs	2.0	1.2	3.2	0.3%
Inspections	2.1	-	2.1	0.2%
Public safety	-	5.0	5.0	0.5%
Restricted (total)	88.1	130.8	218.9	20.6%
Assigned	340.4	256.5	596.9	56.3%
Unassigned	149.8	(9.4)	140.4	13.2%
Total fund balance	\$ 605.4	\$ 456.2	\$ 1,061.5	100.0%

The general fund is the primary operating fund which contains the general government operations and governmental debt activities for the City. The City adopts a balanced budget annually and any changes in fund balance are a result of actual revenue collections compared to expenditure results. The fund balance of the general fund increased by \$61.3 million as actual revenues exceeded expenditures. Revenues were primarily driven by strong property tax collections which included an increased property tax rate of

35.5 cents per \$100 of property value which was an 11% increase over the revenue-neutral tax rate, an improvement in the property tax collection rate, strong sales tax collections which were impacted by continued inflation, franchise tax and historic investment earnings given the current high interest rate environment. The general fund expenditures results were lower than expected, as a result of vacancies and ongoing operational expenditures which came in under budget. In addition, planning for future debt capacity generated budgetary expenditure variances and when coupled with the strong revenue results, drove the overall increase to fund balance. Revenues were utilized for normal City programs and ongoing operations.

While North Carolina General Statute 159-8(a) defines the fund balance that may be appropriated annually. Sufficient fund balance is essential to strong fiscal health and viability and is a key measure of the prudent use of financial resources and proper financial planning. In 2024,, the City's policy increased the amount to maintain as unassigned fund balance to at least 17.0% of the succeeding year's expenditure budget. Unassigned fund balance of \$140.4 million represents 18.5% of the 2025-26 general fund adopted expenditure budget. Unassigned fund balance is the amount remaining after management's policy designations. Annually, City Council will receive the unassigned fund balance in excess of the 17.0%, referred to as excess general capital reserves. The balance is to be utilized in the subsequent year budget unless at Council discretion the balance is utilized during the fiscal year. The appropriation of the excess general capital reserves for non-recurring uses to support key City initiatives and projects or can be maintained as reserves.

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:

- amendments made to adjust the estimates that are used to prepare the original budget ordinance once final information is available;
- amendments made to recognize new funding amounts from external sources, such as from Federal or State grants;
- increases in appropriations that become necessary to maintain services; and
- amounts that are carried over from the previous year and reappropriated 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 local sales tax. Property tax collections were slightly below the budget by \$0.1 million and reflect the impacts from the revaluation year which included approved property value appeals at the County. Sales tax collections remained strong, driven by consumer spending and

continued elevated inflation rates and exceeded the budget by \$0.4 million. Another driver of revenue collections exceeding budgeted revenues included interest income received as the City continued to benefit from higher interest rate yields on investments, and a dramatic mark to market increase at the close of the fiscal year. Franchise tax collections also exceeded the budget by \$6.6 million due to increases in electricity pricing for consumers. General fund revenues exceeded the budget by \$32.5 million for the current year.

General fund expenditures came in below budget, which resulted in a positive budget variance of \$70.4 million and utilized 97% of the budget. 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, 2025, amounts to \$4.7 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, intangible right to use lease assets, intangible right to use IT subscription assets, and general and park improvements. The City's investment in capital assets for the current fiscal year increased by \$303.3 million, a 6.9% increase over prior year primarily due the City's continued investment in capital infrastructure projects across the city.

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 2024-25 were \$24.4 million, with general and park improvements completed for a total capitalized cost of \$14.6 million
- Governmental equipment acquisitions added \$17.9 million to the City's rolling stock inventory
- Construction in progress for all governmental activities was \$546.5 million
- Construction was completed for various enterprise operations. Total enterprise projects completed and capitalized in fiscal year 2024-25 amounted to \$14.2 million. Highlights of enterprise capital asset investments include:
 - Water & Sewer projects were completed totaling \$11.8 million
 - Convention Center Complex projects were completed for \$1.8 million
- Enterprise equipment acquisitions added \$14.4 million to the City's rolling stock inventory
- Construction in progress for all enterprise activities was \$897.9 million
- Annexations added \$8.9 million to streets for governmental activities and \$60.8 million to water and sewer systems for the business-type activities

Capital Assets* (in millions of dollars)

	Governmental Activities		Business-type Activities		Total Activities	
	2024	2025	2024	2025	2024	2025
Land	\$ 235.6	\$ 243.9	\$ 107.1	\$ 111.1	\$ 342.7	\$ 355.0
Construction in progress	400.8	546.5	746.5	897.9	1,147.3	1,444.4
Watershed protection rights	-	-	6.3	6.3	6.3	6.3
Buildings and machinery	250.8	242.0	213.8	204.1	464.6	446.1
Water and sewer systems	-	-	1,378.7	1,409.9	1,378.7	1,409.9
Streets and sidewalks	295.9	288.0	-	-	295.9	288.0
Parking decks	-	-	81.7	77.7	81.7	77.7
Buses	0.3	1.1	38.8	37.6	39.1	38.7
Equipment	47.6	50.2	27.4	31.7	75.0	81.9
Improvements	228.0	225.1	267.4	247.9	495.4	473.0
Enterprise-wide software	15.0	13.6	-	-	15.0	13.6
Intangible right to use lease assets	15.9	24.1	2.1	3.2	18.0	27.3
Intangible right to use IT subscriptions	1.8	1.8	2.3	3.3	4.1	5.1
Total	\$ 1,491.7	\$ 1,636.3	\$ 2,872.1	\$ 3,030.7	\$ 4,363.8	\$ 4,667.0

*Amounts shown net of accumulated depreciation and amortization

Additional information on the City's capital assets can be found on pages 59-61 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 \$387.4 million. The remainder of the City's debt represents general and limited obligation bond anticipation notes (\$91.2 million), revenue bonds (\$654.6 million), revenue bond anticipation notes (\$176.7 million) and installment financing agreements (\$411.8 million) (installment notes, certificates of participation, limited obligation bonds, etc.) secured solely by specified revenue sources and property. Amounts presented exclude unamortized premiums, leases and IT subscriptions.

Long-Term Debt (in millions of dollars)

	Governmental Activities		Business-type Activities		2024	2025
	2024	2025	2024	2025		
General obligation bonds	\$ 312.2	\$ 387.4	\$ -	\$ -	\$ 312.2	\$ 387.4
Revenue bonds	-	-	689.5	654.6	689.5	654.6
Installment financing agreements	177.1	196.8	232.6	215.0	409.7	411.8
Bond anticipation notes	70.8	91.2	83.2	176.7	154.0	267.9
Total	\$ 560.1	\$ 675.4	\$ 1,005.3	\$ 1,046.3	\$ 1,565.4	\$ 1,721.7

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 \$1,352.5 million (*Legal Debt Margin Information statistical schedule*) is significantly less than the current debt limitation of \$9,541.5 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 credit rating agencies maintain the highest rating category level on both the general obligation and Raleigh Water 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 the ability to obtain 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 63-76 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, 2025, overall were positive reflecting the strength of the local economy. As the City looks ahead to fiscal year 2025-2026, the adopted budget theme affirms the City's strategic focus, **Our Greatest Asset: Our Workforce**, balances immediate investments in the City workforce with long-term investments in capital and technology that will successfully prepare the City for the future. The FY26 budget maintains the \$0.355, or 35.5 cents per \$100 of property value tax rate. The City's regional water and sewer utility has a tiered increase with an average residential increase of \$1.91/month. Stormwater increased fees by \$0.57/month to support staffing and capital projects that protect creeks and streams from runoff. Solid Waste Services increased by \$1.85/month to meet operational cost increases and continue its transition to a self-supporting enterprise fund. The combined monthly increase for all three is \$4.33/ month for a median residential household.

Management continues to diligently monitor spending levels and maintains conservative budget estimates. 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.

Through the following budget highlights, City management and staff remain committed to our Raleigh citizens and to recognizing the value of our employees.

Highlights of the City's budget for the 2025-26 fiscal year include the following:

- The 2025-26 combined budgets for operating and capital programs total \$1,780.8 million, representing an 25.8% increase from the 2024-25 combined budget.
- The adopted General Fund budget for 2025-26 of \$657.1 million which is a decrease of 10.3% over the prior year adopted budget. The decrease in the General Fund is attributable to the implementation in how the City accounts for income revenues and a new financial strategy designed to allocate funding between operating and capital investments. Specifically, more information can be found in the City's budget in the Capital and Debt section.

- The primary revenue source, property taxes, is budgeted in total at \$427.4 million, an increase of \$8.2 million, or 11.9% which reflects continued growth of the City's tax base. Property tax will be allocated to support general fund operations, general capital debt and pay-as-you go capital.
 - The sales tax budget was set at \$157.0 million, a decrease of \$0.8 million, or 0.5% from 2024-25 given the continued uncertainty within the economy.
- The 2025-26 capital budget includes new and/or continuing projects totaling \$616.9 million, including transportation, mass transit, parks, stormwater, water and sewer infrastructure, parking, and general public facilities projects. The total 5-year capital budget is \$2,471.9 million.

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:

Chief Financial Officer
City of Raleigh
PO Box 590
Raleigh, North Carolina 27602
Finance.info@raleighnc.gov
(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 (governmentwide 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, 2025

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 1,046,611,988	\$ 737,560,810	\$ 1,784,172,798
Taxes receivable, net of allowance for uncollectibles of \$5,405,555	1,580,628	-	1,580,628
Assessments receivable, net of allowance for uncollectibles of \$339,964	347,787	105,963	453,750
Customer receivables, net of allowance for uncollectibles of \$11,522,869	64,661	37,863,367	37,928,028
Franchise tax receivable	8,625,164	-	8,625,164
Due from other governmental agencies	20,221,436	15,514,950	35,736,386
Accrued interest receivable	6,969,413	4,586,065	11,555,478
Other receivables and assets	6,508,488	393,452	6,901,940
Sales tax receivable	46,978,350	5,477,277	52,455,627
Internal balances	1,350,335	(1,350,335)	-
Inventories	4,228,041	16,089,692	20,317,733
Loans receivable, net of allowance \$20,762,859	100,458,287	-	100,458,287
Cash and cash equivalents/investments - restricted deposits and bond proceeds	61,010,877	52,841,439	113,852,316
Lease receivable	18,469,959	14,929,251	33,399,210
Capital assets:			
Land, construction in progress, watershed protection rights	790,351,352	1,015,357,763	1,805,709,115
Other capital assets, net of depreciation and amortization	845,996,954	2,015,365,031	2,861,361,985
Total assets	2,959,773,720	3,914,734,725	6,874,508,445
DEFERRED OUTFLOWS OF RESOURCES			
Deferred refunding charges	1,233,161	24,976,993	26,210,154
Pension deferrals - LEOSSA	11,306,132	-	11,306,132
Pension deferrals - LGERS	97,747,314	13,441,272	111,188,586
OPEB deferrals	15,850,318	6,005,056	21,855,374
Total deferred outflows of resources	126,136,925	44,423,321	170,560,246

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

Statement of Net Position (Continued)

June 30, 2025

	Governmental Activities	Business-type Activities	Total
LIABILITIES			
Accounts payable	46,241,795	35,147,364	81,389,159
Accrued salaries and employee payroll taxes	27,288,030	364,990	27,653,020
Accrued interest payable	5,442,099	10,429,003	15,871,102
Sales tax payable	2,221	259,178	261,399
Loan servicing escrow	883,228	-	883,228
Due to other governmental agencies	863,733	4,540,548	5,404,281
Other current liabilities	275,438	-	275,438
Unearned revenue	2,131,008	3,708,783	5,839,791
Prepaid taxes and assessments	144,102	-	144,102
Escrow and other deposits payable from restricted assets	3,374,076	42,095,262	45,469,338
Reimbursable facility fees	16,453,057	-	16,453,057
Unearned Coronavirus State & Local Fiscal Recovery Funds	4,070,311	-	4,070,311
Unavailable revenue	243,621	-	243,621
Long-term liabilities:			
Due within one year	104,345,269	259,069,250	363,414,519
Due in more than one year	711,706,796	953,293,676	1,665,000,472
Net pension liability - LEOSSA	52,125,281	-	52,125,281
Net pension liability - LGERS	153,997,683	56,196,395	210,194,078
Net OPEB liability	153,507,114	57,434,893	210,942,007
Total liabilities	1,283,094,862	1,422,539,342	2,705,634,204
DEFERRED INFLOWS OF RESOURCES			
Leases	16,881,002	13,510,567	30,391,569
Pension deferrals - LEOSSA	8,177,009	-	8,177,009
Pension deferrals - LGERS	5,564,111	2,917,385	8,481,496
OPEB deferrals	5,993,896	2,196,329	8,190,225
Deferred bond refunding	-	1,181,397	1,181,397
Total deferred inflows of resources	36,616,018	19,805,678	56,421,696
NET POSITION			
Net investment in capital assets	970,442,632	1,865,784,471	2,836,227,103
Restricted for:			
Debt Service	106,490,625	-	106,490,625
Community Development	101,704,421	-	101,704,421
Other purposes (Note 1.D.(10))	8,540,627	-	8,540,627
Stabilization by state statute	83,982,083	-	83,982,083
Federal programs	3,175,489	-	3,175,489
Unrestricted	491,863,888	651,028,555	1,142,892,443
Total net position	\$ 1,766,199,765	\$ 2,516,813,026	\$ 4,283,012,791

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

Statement of Activities

For the Fiscal Year Ended June 30, 2025

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 97,191,527	\$ 41,132,898	\$ 10,066,238	\$ 16,044,066
Community development services	60,272,146	504,250	8,208,531	3,161,755
Public infrastructure	107,741,992	418,101	-	7,029,053
Public safety	246,414,573	-	1,327,303	-
Leisure services	93,202,498	12,621,949	54,846,346	8,028,807
Interest on long-term debt	22,135,944	-	-	-
Total governmental activities	\$ 626,958,680	\$ 54,677,198	\$ 74,448,418	\$ 34,263,681
Business-type activities:				
Water and sewer	\$ 235,572,636	\$ 331,126,205	\$ -	\$ 60,779,102
Convention center complex	40,591,850	23,360,003	-	-
Mass transit	70,412,198	2,439,440	43,696,465	3,664,549
Parking facilities	14,965,085	15,920,060	-	-
Solid waste services	47,880,972	46,220,964	-	-
Stormwater	30,218,796	38,077,149	111,144	-
Total business-type activities	439,641,537	457,143,821	43,807,609	64,443,651
Total City of Raleigh	\$ 1,066,600,217	\$ 511,821,019	\$ 118,256,027	\$ 98,707,332

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

Statement of Activities (Continued)

For the Fiscal Year Ended June 30, 2025

Functions/Programs	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-type Activities	Total
Governmental activities:			
General government	\$ (29,948,325)	\$ -	\$ (29,948,325)
Community development services	(48,397,610)	-	(48,397,610)
Public infrastructure	(100,294,838)	-	(100,294,838)
Public safety	(245,087,270)	-	(245,087,270)
Leisure services	(17,705,396)	-	(17,705,396)
Interest on long-term debt	(22,135,944)	-	(22,135,944)
Total governmental activities	\$ (463,569,383)	\$ -	\$ (463,569,383)
Business-type activities:			
Water and sewer	\$ -	\$ 156,332,671	\$ 156,332,671
Convention center complex	-	(17,231,847)	(17,231,847)
Mass transit	-	(20,611,744)	(20,611,744)
Parking facilities	-	954,975	954,975
Solid waste services	-	(1,660,008)	(1,660,008)
Stormwater	-	7,969,497	7,969,497
Total business-type activities	\$ -	\$ 125,753,544	\$ 125,753,544
Total City of Raleigh	\$ (463,569,383)	\$ 125,753,544	\$ (337,815,839)
General revenues:			
Taxes:			
Property taxes, levied for general purpose	\$ 421,774,040	\$ -	\$ 421,774,040
Local sales tax	158,171,595	-	158,171,595
Franchise tax	37,294,878	-	37,294,878
Other taxes	26,360,232	-	26,360,232
Unrestricted investment earnings	49,867,881	33,465,710	83,333,591
Proceeds on the sale of property	786,940	971,930	1,758,870
Miscellaneous	3,426,919	-	3,426,919
Total general revenues not including transfers	\$ 697,682,485	\$ 34,437,640	\$ 732,120,125
Transfers	(79,056,864)	79,056,864	-
Total general revenues and transfers	618,625,621	113,494,504	732,120,125
Change in net position	155,056,238	239,248,048	394,304,286
Net position - beginning of year	\$ 1,619,558,074	\$ 2,277,564,978	\$ 3,897,123,052
Adjustment to restate the July 1, 2024 net position	(8,414,547)	-	(8,414,547)
Net position July 1, 2024, as restated	1,611,143,527	2,277,564,978	3,888,708,505
Net position - end of year	\$ 1,766,199,765	\$ 2,516,813,026	\$ 4,283,012,791

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

Balance Sheet
Governmental Funds
June 30, 2025

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 538,949,642	\$ 398,677,915	\$ 937,627,557
Taxes receivable, net of allowance for uncollectibles of \$5,405,555	1,580,628	-	1,580,628
Assessments receivable, net of allowance for uncollectibles of \$212,399	238,649	109,138	347,787
Customer receivables	64,661	-	64,661
Franchise taxes receivable	8,606,414	18,750	8,625,164
Due from other governmental agencies	3,735,236	16,486,200	20,221,436
Accrued interest receivable	5,486,157	679,069	6,165,226
Other receivables and assets	2,516,607	6,183	2,522,790
Sales tax receivable	44,309,068	1,717,398	46,026,466
Due from other funds	12,971,322	2,524,730	15,496,052
Inventories	3,313,225	-	3,313,225
Lease receivable	18,469,959	-	18,469,959
Loans receivable, net of allowance for uncollectibles of \$20,762,858	22,216,145	78,242,142	100,458,287
Cash and cash equivalents/investments - restricted deposits and bond proceeds	-	26,773,245	26,773,245
Total assets	\$ 662,457,713	\$ 525,234,770	\$ 1,187,692,483
LIABILITIES			
Accounts payable	\$ 6,668,500	\$ 35,100,545	\$ 41,769,045
Accrued salaries and employee payroll taxes	27,265,511	1,432	27,266,943
Sales tax payable	1,691	393	2,084
Loan servicing escrow	347,367	535,861	883,228
Other liabilities	275,438	-	275,438
Due to other funds	172,367	9,766,253	9,938,620
Reimbursable facility fees	2,014,276	14,438,781	16,453,057
Unearned revenue	609,241	1,521,767	2,131,008
Prepaid assessments	-	13,699	13,699
Prepaid taxes and facility fees	130,403	-	130,403
Escrow and other deposits payable from restricted assets	18,981	3,355,095	3,374,076
Due to other governmental agencies	863,733	-	863,733
Coronavirus State & Local Fiscal Recovery Fund	-	4,070,311	4,070,311
Total liabilities	38,367,508	68,804,137	107,171,645
DEFERRED INFLOWS OF RESOURCES			
Unavailable property tax	1,580,628	-	1,580,628
Unavailable assessments	238,649	109,138	347,787
Lease revenue	16,881,002	-	16,881,002
Unavailable revenue	-	243,621	243,621
Total deferred inflows of resources	18,700,279	352,759	19,053,038
FUND BALANCES			
Nonspendable:			
Inventories	3,313,225	-	3,313,225
Leases	1,588,957	-	1,588,957
Loans receivable	22,216,145	78,242,142	100,458,287
Restricted:			
Stabilization by state statute	83,982,083	-	83,982,083
Restricted debt service	-	106,490,625	106,490,625
Unspent capital debt proceeds	-	18,107,458	18,107,458
Federal program reserves	1,954,384	1,221,105	3,175,489
Inspections	2,150,157	-	2,150,157
Public safety	-	4,959,029	4,959,029
Assigned:			
Assigned debt service	278,635,753	-	278,635,753
Subsequent year's appropriation	32,338,046	756,521	33,094,567
City projects	707,837	231,588,644	232,296,481
Community development	28,717,619	22,705,758	51,423,377
Disaster recovery	-	1,431,441	1,431,441
Unassigned	149,785,720	(9,424,849)	140,360,871
Total fund balances	605,389,926	456,077,874	1,061,467,800
Total liabilities, deferred inflows of resources and fund balances	\$ 662,457,713	\$ 525,234,770	\$ 1,187,692,483

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, 2025

Total fund balances for governmental funds		\$ 1,061,467,800
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	\$ 790,351,352	
Capital Assets being depreciated, net	<u>802,854,925</u>	
	<u>\$ 1,593,206,277</u>	1,593,206,277
The net pension and OPEB liabilities resulting from contributions greater than or less than the amount of annual required contributions are not financial resources, are not due and payable in the current period and therefore are not reported in the funds.		
Law Enforcement Officer's (LEOSSA)	\$ (52,125,281)	
Pensions (LGERS)	(150,019,237)	
Other Post Retirement Benefits (OPEB)	<u>(149,353,819)</u>	
	<u>\$ (351,498,337)</u>	(351,498,337)
The deferred outflows of resources related to pensions and OPEB liabilities are not reported in the funds.		
Law Enforcement Officer's (LEOSSA)	\$ 11,306,132	
Pensions (LGERS)	96,780,707	
Other Post Retirement Benefits (OPEB)	<u>15,437,253</u>	
	<u>\$ 123,524,092</u>	123,524,092
The deferred inflows of resources related to pensions and OPEB liabilities will be reported as a reduction of expense in prior years are not reported in the funds.		
Law Enforcement Officer's (LEOSSA)	\$ (8,177,009)	
Pensions (LGERS)	(5,342,365)	
Other Post Retirement Benefits (OPEB)	<u>(5,808,788)</u>	
	<u>\$ (19,328,162)</u>	(19,328,162)
Deferred issuance costs are reported as expenditures in the funds because current financial resources are used. In the governmental activities issuance costs are deferred and recognized over the life of the debt.		
		1,233,161
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.		
		83,196,147
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	\$ 1,580,628	
Assessments receivable	<u>347,787</u>	
	<u>\$ 1,928,415</u>	1,928,415
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	\$ (436,076,130)	
Installment Financing Agreements, net	(136,794,485)	
Bond Anticipation Note (BANs)	(91,197,998)	
Leases	(24,698,532)	
IT subscriptions	(1,483,353)	
Compensated absences	(31,976,431)	
Accrued Interest Payable	<u>(5,302,699)</u>	
	<u>\$ (727,529,628)</u>	(727,529,628)
Net position of governmental activities		<u>\$ 1,766,199,765</u>

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

Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds For the Fiscal Year Ended June 30, 2025

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES			
Ad valorem taxes	\$ 421,288,799	\$ -	\$ 421,288,799
Intergovernmental	23,082,956	72,971,653	96,054,609
Non-governmental grants	-	3,084,498	3,084,498
Assessments	-	429,427	429,427
Franchise tax	37,294,878	-	37,294,878
Local sales tax	158,171,595	-	158,171,595
Licenses	14,221,329	120,980	14,342,309
Gain (loss) on investments	40,690,728	6,039,706	46,730,434
Inspections fees	23,772,875	-	23,772,875
Highway maintenance refunds	1,266,724	-	1,266,724
Facility fees	-	12,302,756	12,302,756
Parks and recreation fees	7,822,872	-	7,822,872
Other fees and charges	7,301,919	5,631	7,307,550
Rents	3,351,566	-	3,351,566
Program income	65,132	503,989	569,121
Donations and contributions	1,823,053	683,316	2,506,369
Miscellaneous other	2,050,411	212,133	2,262,544
Total revenues	742,204,837	96,354,089	838,558,926
EXPENDITURES			
General government	87,110,508	18,978,054	106,088,562
Community development services	38,776,258	3,385,929	42,162,187
Public infrastructure	59,381,722	123,578,979	182,960,701
Public safety	243,339,738	12,285,459	255,625,197
Leisure services	73,887,233	50,250,340	124,137,573
Economic development programs	1,473,959	19,308,808	20,782,767
Debt service:			
Principal	54,195,228	-	54,195,228
Interest	23,537,613	-	23,537,613
Other debt service expenditures	1,598,051	-	1,598,051
Total expenditures	583,300,310	227,787,569	811,087,879
Excess (deficiency) of revenues over (under) expenditures	158,904,527	(131,433,480)	27,471,047
OTHER FINANCING SOURCES (USES)			
Transfers in	6,326,943	80,597,488	86,924,431
Transfers out	(121,645,595)	(46,850,642)	(168,496,237)
Issuance of debt	341,013	130,415,590	130,756,603
Lease and IT subscription liabilities issued	17,213,872	-	17,213,872
Refunding bond Issuance	150,156,185	-	150,156,185
Payment to refunded bond escrow agent	(150,156,185)	-	(150,156,185)
Proceeds on sale of property	155,703	-	155,703
Total other financing sources (uses)	(97,608,064)	164,162,436	66,554,372
Net change in fund balances	61,296,463	32,728,956	94,025,419
Fund balances, beginning of year	544,093,463	428,983,850	973,077,313
Adjustment to restate the July 1, 2024 fund balance	-	(5,634,932)	(5,634,932)
Fund balances July 1, 2024 as restated	544,093,463	423,348,918	967,442,381
Fund balances, end of year	\$ 605,389,926	\$ 456,077,874	\$ 1,061,467,800

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, 2025

Net change in fund balances - total governmental funds \$ 94,025,419

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 or amortization expense. This is the amount by which capital outlays exceeded depreciation or amortization in the current period.

Capital Outlays	\$ 182,189,858	
Intangible right to use lease asset capital outlay expenditures which were capitalized	15,178,492	
Intangible right to use IT subscriptions asset capital outlay expenditures which were capitalized	2,035,380	
Depreciation	(59,780,957)	
Amortization	(8,990,841)	
	<u>\$ 130,631,932</u>	130,631,932

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

Annexations	\$ 8,977,353	
Property taxes	485,241	
Assessments	492	
Loss on sale of assets	(8,533)	
	<u>\$ 9,454,553</u>	9,454,553

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:		
General obligation bonds issued	\$ 110,632,273	
Bond anticipation notes	130,415,591	
Leases	15,178,462	
IT subscriptions	2,035,380	
Bond refunding:		
Face amount of new debt	40,156,184	
Payment to escrow agent	(40,156,184)	
Principal repayments:		
General obligation debt	(28,935,000)	
Bond anticipation notes	(110,000,000)	
Installment financing	(16,137,828)	
Leases	(6,867,527)	
IT subscriptions	(2,254,871)	
	<u>\$ 94,066,480</u>	(94,066,480)

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.

Compensated absences	\$ (1,568,526)	
Accrued interest expense	(333,896)	
Net pension expense - LEOSSA	(1,035,841)	
Net pension expense - LGERS	(5,933,625)	
Net OPEB expense	3,600,237	
	<u>\$ (5,271,651)</u>	(5,271,651)

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.

4,334,281

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.

15,948,184

Change in net position of governmental activities \$ 155,056,238

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, 2025

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
REVENUES				
Ad valorem taxes - real & other property	\$ 397,841,531	\$ 397,841,531	\$ 397,722,575	\$ (118,956)
Ad valorem taxes - vehicles	21,345,878	21,345,878	23,566,224	2,220,346
Intergovernmental	22,471,473	22,471,473	23,082,956	611,483
Franchise tax	30,700,000	30,700,000	37,294,878	6,594,878
Local sales tax	157,760,000	157,760,000	158,171,595	411,595
Licenses	14,954,000	14,914,000	14,221,329	(692,671)
Gain (loss) on investments - investment income	17,227,179	17,227,179	19,894,484	2,667,305
Gain (loss) on investments - fair value measurement	-	-	20,796,244	20,796,244
Inspection fees	24,663,517	24,663,517	23,772,875	(890,642)
Highway maintenance refunds	1,000,000	1,000,000	1,266,724	266,724
Parks and recreation fees	7,968,361	7,968,361	7,822,872	(145,489)
Other fees and charges	6,461,447	6,328,447	7,301,919	973,472
Reimbursements for public infrastructure support	1,387,633	1,387,633	881,371	(506,262)
Administrative charges	23,661,201	24,661,201	23,631,312	(1,029,889)
Rents	2,642,069	2,654,569	3,351,566	696,997
Program income	-	-	65,132	65,132
Donations and contributions	1,741,586	1,741,586	1,823,053	81,467
Other revenues	1,571,853	1,571,853	2,050,411	478,558
Proceeds from sale of property	150,000	150,000	155,703	5,703
Total revenues available for appropriation	733,547,728	734,387,228	766,873,223	32,485,995
Fund balance appropriated	19,414,618	42,951,865	-	(42,951,865)
Total revenues	\$ 752,962,346	\$ 777,339,093	\$ 766,873,223	\$ (10,465,870)
EXPENDITURES				
General government:				
City council	\$ 560,189	\$ 570,430	\$ 570,040	\$ 390
City clerk	899,860	910,794	706,312	204,482
City attorney	6,559,044	6,627,119	6,269,878	357,241
Special appropriations	31,246,273	31,518,504	30,391,483	1,127,021
Agency appropriations	4,270,683	5,626,968	4,019,335	1,607,633
City manager	8,047,384	8,198,400	7,817,894	380,506
Communications	4,473,101	4,628,629	4,329,466	299,163
Human resources	9,443,206	9,544,419	8,085,133	1,459,286
Budget & management services	1,971,519	1,983,104	1,839,341	143,763
Finance	8,034,260	8,201,211	7,378,814	822,397
Information technology	27,531,790	29,433,175	26,840,184	2,592,991
Total general government	103,037,309	107,242,753	98,247,880	8,994,873

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

Statement of Revenues, Expenditures, and Changes in Fund Balance (Continued)
Budget and Actual - General Fund
For the Fiscal Year Ended June 30, 2025

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
Community development services:				
Planning	8,085,192	8,199,062	7,325,319	873,743
Development Services	16,100,514	16,051,373	15,988,792	62,581
Community services	20,913,221	21,512,890	15,462,147	6,050,743
Economic development	1,627,591	1,838,449	1,473,959	364,490
Total community development services	46,726,518	47,601,774	40,250,217	7,351,557
Public infrastructure:				
Engineering services	29,168,963	30,887,618	26,008,908	4,878,710
Transportation	40,062,067	40,727,018	39,500,984	1,226,034
Total public infrastructure	69,231,030	71,614,636	65,509,892	6,104,744
Public safety:				
Emergency communications center	16,389,653	16,102,913	14,272,764	1,830,149
Police	136,479,341	140,849,133	140,688,142	160,991
Fire	86,055,052	88,666,679	88,378,832	287,847
Total public safety	238,924,046	245,618,725	243,339,738	2,278,987
Leisure services:				
Parks, recreation and cultural resources	82,289,120	84,529,274	73,756,725	10,772,549
Walnut Creek Amphitheatre	302,889	302,889	130,508	172,381
Total leisure services	82,592,009	84,832,163	73,887,233	10,944,930
Debt service:				
Principal and interest	78,275,652	78,275,652	67,766,110	10,509,542
Other debt service expenditures	30,866,841	25,783,774	1,598,051	24,185,723
Total debt service	109,142,493	104,059,426	69,364,161	34,695,265
Total expenditures to appropriations	649,653,405	660,969,477	590,599,121	70,370,356
OTHER FINANCING SOURCES (USES)				
Transfers in	5,905,349	5,905,349	6,326,943	421,594
Transfers out	(109,214,290)	(122,274,965)	(121,645,595)	629,370
Issuance of debt	-	-	341,013	341,013
Refunding bond issuance	-	-	150,156,185	150,156,185
Payment to refunded bond escrow agent	-	-	(150,156,185)	(150,156,185)
Total other financing sources (uses)	(103,308,941)	(116,369,616)	(114,977,639)	1,391,977
Excess of revenues and other financing sources over expenditures and other financing uses	\$ -	\$ -	61,296,463	
Fund balance, beginning of year			544,093,463	
Fund balance, end of year			\$ 605,389,926	
Reconciliation of fund balance (budgetary basis) to the fund balance on modified accrual basis (GAAP):				
Reconciling Adjustments:				
Other financing sources (uses)			17,213,872	
Leases and IT subscriptions capital outlay			(17,213,872)	
Fund balance (GAAP Basis), end of year			\$ 605,389,926	

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



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Statement of Net Position - Proprietary Funds

June 30, 2025

	Enterprise Funds			
	Water and Sewer Fund	Convention Center Complex Fund	Mass Transit Fund	Stormwater Fund
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 555,569,571	\$ 57,141,715	\$ 7,236,335	\$ 61,585,295
Customer receivables, net of allowance for uncollectibles of \$11,522,869	31,010,916	657,184	-	2,814,530
Assessments receivable, net of allowance for uncollectibles of \$255,130	94,882	-	-	11,081
Lease receivable	454,250	-	-	-
Due from other governmental agencies	-	-	14,512,868	325,188
Due from other funds	7,352	58	-	109
Accrued interest receivable	4,219,935	15,845	-	287,473
Other receivables and assets	140,083	44,097	2,929	12,463
Sales tax receivable	4,317,102	290,827	85,060	110,104
Inventories	14,987,160	-	1,102,532	-
Insurance deposit	-	-	-	-
Total current assets	610,801,251	58,149,726	22,939,724	65,146,243
Noncurrent assets:				
Restricted cash and cash equivalents	12,488,278	1,758,965	50,305	27,797,714
Lease receivable	3,295,000	-	-	-
Capital assets:				
Intangible right to use lease asset	3,411,605	1,976,808	172,640	368,820
Intangible right to use IT subscription asset	4,797,724	168,352	47,627	-
Land and improvements	45,269,035	32,282,489	14,270,363	8,946,432
Construction in progress	777,023,341	28,777,023	57,890,704	30,724,797
Watershed protection rights	6,280,059	-	-	-
Water and sewer systems	2,076,092,644	-	-	-
Buildings and machinery	90,607,910	271,091,201	28,102,339	426,355
Parking decks	-	-	-	-
Buses	-	-	87,874,296	-
Equipment	34,013,781	2,755,922	5,195,846	1,402,460
Furniture and fixtures	67,181	2,542,363	50,046	-
Infrastructure Improvements	275,306,452	66,637,365	18,166,199	123,038,696
Less accumulated depreciation and amortization	(912,588,627)	(163,466,297)	(71,813,126)	(53,609,105)
Total noncurrent assets	2,416,064,383	244,524,191	140,007,239	139,096,169
Total assets	3,026,865,634	302,673,917	162,946,963	204,242,412
DEFERRED OUTFLOWS OF RESOURCES				
Deferred bond refunding charges	19,247,091	5,526,613	-	-
Pension deferrals - LGERS	7,734,517	1,341,716	238,054	1,206,068
OPEB deferrals	3,369,664	597,801	152,902	631,884
Total deferred outflows of resources	30,351,272	7,466,130	390,956	1,837,952

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

Statement of Net Position - Proprietary Funds (Continued)

June 30, 2025

	Enterprise Funds			
	Parking Fund	Solid Waste Services Fund	Total	Internal Service Funds
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 15,179,386	\$ 27,163,796	\$ 723,876,098	\$ 122,669,143
Customer receivables, net of allowance for uncollectibles of \$11,522,869	-	3,380,737	37,863,367	-
Assessments receivable, net of allowance for uncollectibles of \$255,130	-	-	105,963	-
Lease receivable	588,249	-	1,042,499	-
Due from other governmental agencies	-	676,894	15,514,950	-
Due from other funds	1,975	-	9,494	45,838
Accrued interest receivable	62,812	-	4,586,065	804,187
Other receivables and assets	-	2,928	202,500	3,756,650
Sales tax receivable	43,959	117,207	4,964,259	1,464,902
Inventories	-	-	16,089,692	914,816
Insurance deposit	-	-	-	420,000
Total current assets	15,876,381	31,341,562	804,254,887	130,075,536
Noncurrent assets:				
Restricted cash and cash equivalents	-	-	42,095,262	44,983,809
Lease receivable	10,591,752	-	13,886,752	-
Capital assets:				
Intangible right to use lease asset	486,466	375,755	6,792,094	180,725
Intangible right to use IT subscription asset	1,367,164	-	6,380,867	-
Land and improvements	7,414,706	2,952,033	111,135,058	-
Construction in progress	3,526,781	-	897,942,646	-
Watershed protection rights	-	-	6,280,059	-
Water and sewer systems	-	-	2,076,092,644	-
Buildings and machinery	-	15,648,174	405,875,979	230,912
Parking decks	156,535,540	-	156,535,540	-
Buses	-	-	87,874,296	532,366
Equipment	232,861	413,871	44,014,741	250,795,670
Furniture and fixtures	51,382	145,892	2,856,864	-
Infrastructure Improvements	7,213,148	7,200,018	497,561,878	-
Less accumulated depreciation and amortization	(82,378,484)	(11,980,493)	(1,295,836,132)	(181,381,384)
Total noncurrent assets	105,041,316	14,755,250	3,059,488,548	115,342,098
Total assets	120,917,697	46,096,812	3,863,743,435	245,417,634
DEFERRED OUTFLOWS OF RESOURCES				
Deferred bond refunding charges	-	203,289	24,976,993	-
Pension deferrals - LGERS	454,842	2,466,075	13,441,272	966,607
OPEB deferrals	192,154	1,060,651	6,005,056	413,065
Total deferred outflows of resources	646,996	3,730,015	44,423,321	1,379,672

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

Statement of Net Position - Proprietary Funds (Continued)

June 30, 2025

	Enterprise Funds			
	Water and Sewer Fund	Convention Center Complex Fund	Mass Transit Fund	Stormwater Fund
LIABILITIES				
Current liabilities:				
Accounts payable	\$ 15,783,567	\$ 6,882,755	\$ 9,969,621	\$ 964,031
Sales tax payable	3,170	247,026	136	21
Accrued salaries and employee payroll taxes	202,915	70,833	6,836	49,583
Accrued interest payable	8,220,705	1,852,127	868	2,406
Claims payable and other liabilities	-	-	-	-
Due to other funds	21,535	14,475	613,343	-
Due to other governmental agencies	-	-	-	-
Unearned revenue	-	255,720	3,453,063	-
Landfill postclosure liability	-	-	-	-
Compensated absences	2,453,057	256,624	110,358	562,470
Bonds, notes and loans payable, net of unamortized premiums and discounts	215,791,164	-	-	-
Contracts and other notes payable, net of unamortized premiums and discounts	8,677,216	14,167,266	15,354	165,500
Total current liabilities	251,153,329	23,746,826	14,169,579	1,744,011
Noncurrent liabilities:				
Claims payable and other liabilities	-	-	-	-
Bonds, notes and loans payable, net of unamortized premiums and discounts	663,013,342	-	-	-
Contracts and other notes payable, net of unamortized premiums and discounts	77,976,391	145,450,031	36,347	893,111
Landfill postclosure liability	-	-	-	-
Escrow and other deposits payable from restricted assets	12,488,278	1,758,965	50,305	27,797,714
Compensated absences	1,832,510	511,927	43,017	363,340
Net pension liability - LGERS	31,761,327	5,793,404	906,343	5,895,900
Net OPEB liability	32,885,579	5,388,283	1,087,839	5,656,141
Total noncurrent liabilities	819,957,427	158,902,610	2,123,851	40,606,206
Total liabilities	1,071,110,756	182,649,436	16,293,430	42,350,217
DEFERRED INFLOWS OF RESOURCES				
Leases	3,433,501	-	-	-
Pension deferrals - LGERS	1,740,395	100,428	286,142	153,517
OPEB deferrals	1,351,834	128,407	21,861	65,984
Deferred bond refunding	-	-	-	-
Total deferred inflows of resources	6,525,730	228,835	308,003	219,501
NET POSITION				
Net investment in capital assets	1,454,070,083	88,674,542	139,905,233	110,239,844
Unrestricted	525,510,337	38,587,234	6,831,253	53,270,802
Total net position	\$ 1,979,580,420	\$ 127,261,776	\$ 146,736,486	\$ 163,510,646

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

Statement of Net Position - Proprietary Funds (Continued)

June 30, 2025

	Enterprise Funds			
	Parking Fund	Solid Waste Services Fund	Total	Internal Service Funds
LIABILITIES				
Current liabilities:				
Accounts payable	\$ 159,327	\$ 585,459	\$ 34,344,760	\$ 5,275,354
Sales tax payable	4,796	4,029	259,178	137
Accrued salaries and employee payroll taxes	9,581	25,242	364,990	21,087
Accrued interest payable	258,921	33,897	10,368,924	199,479
Claims payable and other liabilities	-	-	-	11,032,628
Due to other funds	4,954,632	547	5,604,532	8,232
Due to other governmental agencies	-	4,540,548	4,540,548	-
Unearned revenue	-	-	3,708,783	-
Landfill postclosure liability	-	826,256	826,256	-
Compensated absences	115,917	711,471	4,209,897	243,581
Bonds, notes and loans payable, net of unamortized premiums and discounts	-	-	215,791,164	27,883,347
Contracts and other notes payable, net of unamortized premiums and discounts	3,740,200	1,000,455	27,765,991	30,248
Total current liabilities	9,243,374	7,727,904	307,785,023	44,694,093
Noncurrent liabilities:				
Claims payable and other liabilities	-	-	-	14,366,556
Bonds, notes and loans payable, net of unamortized premiums and discounts	-	-	663,013,342	69,429,023
Contracts and other notes payable, net of unamortized premiums and discounts	35,002,454	5,300,450	264,658,784	69,414
Landfill postclosure liability	-	3,624,488	3,624,488	-
Escrow and other deposits payable from restricted assets	-	-	42,095,262	-
Compensated absences	50,688	239,310	3,040,792	202,551
Net pension liability - LGERS	1,830,203	10,009,218	56,196,395	3,978,446
Net OPEB liability	1,948,192	10,468,859	57,434,893	4,153,295
Total noncurrent liabilities	38,831,537	29,642,325	1,090,063,956	92,199,285
Total liabilities	48,074,911	37,370,229	1,397,848,979	136,893,378
DEFERRED INFLOWS OF RESOURCES				
Leases	10,077,066	-	13,510,567	-
Pension deferrals - LGERS	96,417	540,486	2,917,385	221,746
OPEB deferrals	101,526	526,717	2,196,329	185,108
Deferred bond refunding	1,181,397	-	1,181,397	-
Total deferred inflows of resources	11,456,406	1,067,203	19,805,678	406,854
NET POSITION				
Net investment in capital assets	55,706,910	8,657,634	1,857,254,246	17,930,066
Unrestricted	6,326,466	2,731,761	633,257,853	91,567,008
Total net position	\$ 62,033,376	\$ 11,389,395	\$ 2,490,512,099	\$ 109,497,074
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			26,300,927	
Net position of business-type activities			\$ 2,516,813,026	

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, 2025**

	Enterprise Funds			
	Water and Sewer Fund	Convention Center Complex Fund	Mass Transit Fund	Stormwater Fund
Operating revenues				
User charges	\$ 318,009,765	\$ 22,006,207	\$ 2,158,612	\$ 37,894,412
Other	9,789,073	1,353,796	280,828	182,737
Total operating revenues	327,798,838	23,360,003	2,439,440	38,077,149
Operating expenses				
Personnel services	69,096,941	13,295,207	2,396,826	15,335,029
Other operational expenses	77,831,317	11,838,456	13,136,818	9,106,251
Management contract charges	-	-	45,964,705	-
Claims	-	-	-	-
Premiums	-	-	-	-
Depreciation and amortization	59,034,165	9,303,034	8,920,504	5,830,343
Total operating expenses	205,962,423	34,436,697	70,418,853	30,271,623
Operating income (loss)	121,836,415	(11,076,694)	(67,979,413)	7,805,526
Nonoperating revenue (expense)				
Gain (loss) on investments	30,700,855	109,602	-	1,918,664
Subsidy income - federal and state	-	-	11,398,142	111,144
Subsidy income - local	-	-	32,298,323	-
Recovery of claims	-	-	-	-
Other revenues	3,327,367	-	-	-
Interest expense	(30,215,383)	(6,175,213)	(2,300)	(10,036)
Other debt service costs	(19,180)	(16,112)	-	-
Proceeds on sale of property	111,660	-	1,136	-
Total nonoperating revenue (expense)	3,905,319	(6,081,723)	43,695,301	2,019,772
Income (loss) before contributions and transfers	125,741,734	(17,158,417)	(24,284,112)	9,825,298
Capital contributions	60,779,102	-	3,664,549	-
Transfers in	-	46,002,329	26,183,850	100,000
Transfers out	(20,000)	-	-	(357,108)
Change in net position	186,500,836	28,843,912	5,564,287	9,568,190
Net position, beginning of year	1,793,079,584	98,417,864	141,172,199	153,942,456
Net position, end of year	\$ 1,979,580,420	\$ 127,261,776	\$ 146,736,486	\$ 163,510,646

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, 2025**

	Enterprise Funds			
	Parking Fund	Solid Waste Services Fund	Total	Internal Service Funds
Operating revenues				
User charges	\$ 15,871,665	\$ 45,465,460	\$ 441,406,121	\$ 112,675,400
Other	48,395	303,754	11,958,583	11,141
Total operating revenues	15,920,060	45,769,214	453,364,704	112,686,541
Operating expenses				
Personnel services	3,136,242	18,962,264	122,222,509	7,495,961
Other operational expenses	5,673,574	28,879,743	146,466,159	19,744,217
Management contract charges	-	-	45,964,705	-
Claims	-	-	-	57,056,555
Premiums	-	-	-	4,953,669
Depreciation and amortization	4,554,313	789,540	88,431,899	20,057,816
Total operating expenses	13,364,129	48,631,547	403,085,272	109,308,218
Operating income (loss)	2,555,931	(2,862,333)	50,279,432	3,378,323
Nonoperating revenue (expense)				
Gain (loss) on investments	541,443	-	33,270,564	9,372,299
Subsidy income - federal and state	-	-	11,509,286	-
Subsidy income - local	-	-	32,298,323	-
Recovery of claims	-	-	-	3,176,674
Other revenues	-	451,750	3,779,117	-
Interest expense	(1,612,588)	(158,880)	(38,174,400)	(1,275,883)
Other debt service costs	(835)	-	(36,127)	-
Proceeds on sale of property	-	-	112,796	1,490,371
Total nonoperating revenue (expense)	(1,071,980)	292,870	42,759,559	12,763,461
Income (loss) before contributions and transfers	1,483,951	(2,569,463)	93,038,991	16,141,784
Capital contributions	-	-	64,443,651	-
Transfers in	2,738,788	4,424,005	79,448,972	2,514,942
Transfers out	-	(15,000)	(392,108)	-
Change in net position	4,222,739	1,839,542	236,539,506	18,656,726
Net position, beginning of year	57,810,637	9,549,853		90,840,348
Net position, end of year	\$ 62,033,376	\$ 11,389,395		\$ 109,497,074
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.			2,708,542	
Change in net position of business-type activities			\$ 239,248,048	

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, 2025

	Enterprise Funds			
	Water and Sewer Fund	Convention Center Complex Fund	Mass Transit Fund	Stormwater Fund
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 315,589,202	\$ 21,319,569	\$ 2,158,612	\$ 37,435,620
Payments to employees	(66,343,786)	(12,695,509)	(2,312,246)	(14,708,328)
Payments to suppliers and service providers	(77,974,953)	(9,759,130)	(59,336,507)	(9,220,435)
Claims paid	-	-	-	-
Premiums paid	-	-	-	-
Other receipts	9,789,073	1,353,796	280,828	183,835
Other payments	-	-	-	-
Net cash provided by (used in) operating activities	181,059,536	218,726	(59,209,313)	13,690,692
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Operating subsidies and transfers from other funds	-	46,002,329	26,183,850	100,000
Operating subsidies and transfers to other funds	(20,000)	-	-	(357,108)
Operating grants received	-	-	44,101,453	-
Claims recovery	-	-	-	-
Internal activity - payments from (to) other funds	(22,213)	4,913	565,593	(259)
Net cash provided by (used in) noncapital financing activities	(42,213)	46,007,242	70,850,896	(257,367)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchase and construction of capital assets	(153,587,907)	(13,587,938)	(10,830,204)	(14,905,004)
Capital grants and other capital contributions	52,229	-	4,779,068	107,070
Proceeds from capital debt	93,500,000	145,145,000	-	-
Intergovernmental proceeds for capital debt	3,327,367	-	-	-
Principal paid on capital debt	(44,876,786)	(151,439,129)	68,510	(101,737)
Interest paid on capital debt	(30,591,469)	(12,098,549)	(1,588)	-
Other debt related payments	1,315,635	(16,112)	-	-
Lease proceeds (payments)	(688,333)	280,249	(58,341)	(79,637)
Subscription proceeds (payments)	(1,420,191)	-	(23,627)	-
Proceeds from the sale of capital assets	111,660	-	1,136	-
Escrow deposits	199,810	-	-	(88,412)
Net cash provided by (used in) capital and related financing activities	(132,657,985)	(31,716,479)	(6,065,046)	(15,067,720)
CASH FLOWS FROM INVESTING ACTIVITIES				
Gain (loss) on investments held	30,435,574	108,680	-	1,901,933
Net cash provided by investing activities	30,435,574	108,680	-	1,901,933
Net increase (decrease) in cash and cash equivalents	78,794,912	14,618,169	5,576,537	267,538
Cash and cash equivalents - beginning of year	489,262,937	44,282,511	1,710,103	89,115,471
Cash and cash equivalents - end of year	\$ 568,057,849	\$ 58,900,680	\$ 7,286,640	\$ 89,383,009
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating income (loss)	\$ 121,836,415	\$ (11,076,694)	\$ (67,979,413)	\$ 7,805,526
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation and amortization expense	59,034,165	9,303,034	8,920,504	5,830,343
Change in assets, liabilities, deferred inflows and outflows:				
Operating receivables	(2,366,240)	(596,977)	(1,509)	(457,694)
Sales tax receivable	1,011,959	3,253	188,416	(13,058)
Inventories	(1,496,652)	-	(294,758)	-
Other receivables and assets	(54,324)	-	-	(12,463)
Accounts payable and other accrued liabilities	496,729	2,026,397	(127,132)	(88,663)
Landfill postclosure liability	-	-	-	-
(Increase) decrease in deferred outflows of resources - LGERS	4,123,019	742,505	144,879	899,458
Increase (decrease) in deferred inflows of resources - LGERS	(20,121)	(3,624)	(707)	(4,390)
Increase (decrease) in pension liability - LGERS	(795,188)	(143,204)	(27,942)	(173,474)
(Increase) decrease in deferred outflows of resources - OPEB	(427,318)	(76,954)	(15,016)	(93,222)
Increase (decrease) in deferred inflows of resources - OPEB	88,611	15,958	3,113	19,331
Increase (decrease) in OPEB liability	(410,748)	(73,971)	(14,433)	(89,607)
Escrow and other deposits	-	(71,578)	-	-
Compensated absences and other payroll liabilities	39,229	138,989	(5,315)	68,605
Unearned revenue	-	31,592	-	-
Total adjustments	59,223,121	11,295,420	8,770,100	5,885,166
Net cash provided by (used in) operating activities	\$ 181,059,536	\$ 218,726	\$ (59,209,313)	\$ 13,690,692
Noncash investing, capital, and financing activities:				
Capital contributions from annexations	\$ 60,779,334	\$ -	\$ -	\$ -
Capital contributions from grant and assessment receivables	\$ (52,229)	\$ -	\$ -	\$ -
Acquisition of capital assets by accounts payable	\$ (19,494,704)	\$ -	\$ -	\$ -
Acquisition of capital assets through leases	\$ 1,024,298	\$ 860,243	\$ 53,825	\$ 55,135
Acquisition of capital assets through IT subscriptions	\$ 2,062,653	\$ -	\$ -	\$ -

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, 2025

	Enterprise Funds			Internal Service Funds
	Parking Fund	Solid Waste Services Fund	Total	
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 15,871,871	\$ 44,948,522	\$ 437,323,396	\$ 112,675,400
Payments to employees	(2,984,376)	(18,230,163)	(117,274,408)	(7,142,813)
Payments to suppliers and service providers	(5,687,022)	(27,183,676)	(189,161,723)	(19,624,683)
Claims paid	-	-	-	(55,770,566)
Premiums paid	-	-	-	(4,953,669)
Other receipts	48,395	303,754	11,959,681	11,141
Other payments	-	-	-	(2,087,065)
Net cash provided by (used in) operating activities	7,248,868	(161,563)	142,846,946	23,107,745
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Operating subsidies and transfers from other funds	2,738,788	4,424,005	79,448,972	2,514,942
Operating subsidies and transfers to other funds	-	(15,000)	(392,108)	-
Operating grants received	-	-	44,101,453	-
Claims recovery	-	-	-	3,176,674
Internal activity - payments from (to) other funds	(525,598)	(8,691)	13,745	(19,573)
Net cash provided by (used in) noncapital financing activities	2,213,190	4,400,314	123,172,062	5,672,043
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchase and construction of capital assets	(441,381)	-	(193,352,434)	(26,044,972)
Capital grants and other capital contributions	-	-	4,938,367	-
Proceeds from capital debt	11,820,000	-	250,465,000	63,166,016
Intergovernmental proceeds for capital debt	-	451,750	3,779,117	-
Principal paid on capital debt	(16,828,787)	(808,162)	(213,986,091)	(15,753,449)
Interest paid on capital debt	(417,195)	(274,968)	(43,383,769)	(1,185,223)
Other debt related payments	(835)	-	1,298,688	-
Lease proceeds (payments)	(520,534)	(59,047)	(1,125,643)	(79,729)
Subscription proceeds (payments)	(645,726)	-	(2,089,544)	-
Proceeds from the sale of capital assets	-	-	112,796	1,490,371
Escrow deposits	-	-	111,398	-
Net cash provided by (used in) capital and related financing activities	(7,034,458)	(690,427)	(193,232,115)	21,593,014
CASH FLOWS FROM INVESTING ACTIVITIES				
Gain (loss) on investments held	539,703	-	32,985,890	9,322,856
Net cash provided by investing activities	539,703	-	32,985,890	9,322,856
Net increase (decrease) in cash and cash equivalents	2,967,303	3,548,324	105,772,783	59,695,658
Cash and cash equivalents - beginning of year	12,212,083	23,615,472	660,198,577	107,957,294
Cash and cash equivalents - end of year	\$ 15,179,386	\$ 27,163,796	\$ 765,971,360	\$ 167,652,952
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating income (loss)	\$ 2,555,931	\$ (2,862,333)	\$ 50,279,432	\$ 3,378,323
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation and amortization expense	4,554,313	789,540	88,431,899	20,057,817
Change in assets, liabilities, deferred inflows and outflows:				
Operating receivables	-	(613,031)	(4,035,451)	-
Sales tax receivable	18,026	122,790	1,331,386	277,077
Inventories	-	-	(1,791,410)	(138,247)
Other receivables and assets	206	96,093	29,512	(2,087,065)
Accounts payable and other accrued liabilities	(31,474)	655,705	2,931,562	1,266,694
Landfill postclosure liability	-	917,572	917,572	-
(Increase) decrease in deferred outflows of resources - LGERS	229,392	1,255,619	7,394,872	519,150
Increase (decrease) in deferred inflows of resources - LGERS	(1,120)	(6,127)	(36,089)	(2,534)
Increase (decrease) in pension liability - LGERS	(44,242)	(242,165)	(1,426,215)	(100,127)
(Increase) decrease in deferred outflows of resources - OPEB	(23,775)	(130,135)	(766,420)	(53,806)
Increase (decrease) in deferred inflows of resources - OPEB	4,930	26,985	158,928	11,157
Increase (decrease) in OPEB liability	(22,853)	(125,089)	(736,701)	(51,719)
Escrow and other deposits	-	-	(71,578)	-
Compensated absences and other payroll liabilities	9,534	(46,987)	204,055	31,025
Unearned revenue	-	-	31,592	-
Total adjustments	4,692,937	2,700,770	92,567,514	19,729,422
Net cash provided by (used in) operating activities	\$ 7,248,868	\$ (161,563)	\$ 142,846,946	\$ 23,107,745
Noncash investing, capital, and financing activities:				
Capital contributions from annexations	\$ -	\$ -	\$ 60,779,334	\$ -
Capital contributions from grant and assessment receivables	\$ -	\$ -	\$ (52,229)	\$ -
Acquisition of capital assets by accounts payable	\$ -	\$ -	\$ (19,494,704)	\$ -
Acquisition of capital assets through leases	\$ 8,253	\$ 129,780	\$ 2,131,534	\$ 84,761
Acquisition of capital assets through IT subscriptions	\$ 56,471	\$ -	\$ 2,119,124	\$ -

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

Statement of Fiduciary Net Position

June 30, 2025

	Pension Trust Funds
ASSETS	
Cash and cash equivalents	\$ 239,992,363
Total assets	239,992,363
LIABILITIES	
Claims payable	1,271,000
Accounts payable	3,283
Total liabilities	1,274,283
NET POSITION	
Restricted for pensions	134,608,466
Restricted for postemployment benefits other than pensions	104,109,614
Total net pension	\$ 238,718,080

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

Statement of Changes in Fiduciary Net Position For the Fiscal Year Ended June 30, 2025

	Pension Trust Funds
ADDITIONS	
Contributions:	
Employer contributions	\$ 46,041,721
Retiree contributions	3,375,836
Total contributions	<u>49,417,557</u>
Investment income:	
Net increase (decrease) in the fair value of investments	22,088,429
Interest	4,267,198
Total investment income	<u>26,355,627</u>
Investment expense	<u>(191,928)</u>
Net investment income	<u>26,163,699</u>
Recovery of claims	<u>1,186,435</u>
Total additions	<u>76,767,691</u>
 DEDUCTIONS	
Benefits and Withdrawals	33,221,012
Professional services	<u>49,717</u>
Total deductions	<u>33,270,729</u>
 Change in net position restricted for:	
employees' retirement and other post-employment benefits	43,496,962
 Net position, beginning of year	<u>195,221,118</u>
 Net position, end of year	<u>\$ 238,718,080</u>

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



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NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2025

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 three-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*.

The fund financial statements provide information about the city's funds, including its fiduciary funds and blended component units. Separate financial statements for each category - governmental, proprietary, and fiduciary - are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as non-major funds.

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 are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, 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. 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 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 complex 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, Law enforcement officers' special separation allowance pension benefit trust, 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/amortization 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, 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. Lease receivable

The City's lease receivable is measured at the present value of lease payments expected to be received during the lease term. Under the lease agreement, the City may receive variable lease payments that are dependent upon the lessee's revenue. The variable payments are recorded as an inflow of resources in the period the payment is received.

A deferred inflow of resources is recorded for the lease. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is recognized as revenue over the life of the lease term.

4. Inventories

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.

5. 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 3.F are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants. Customer deposits held by the City before any services are supplied are restricted to the service for which the deposit was collected.

6. Capital assets

Capital assets, which include land, buildings and machinery, equipment, furniture and fixtures, software, improvements and infrastructure assets including streets, sidewalks, water and sewer systems, parking decks, buses and intangible right to use assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. All infrastructure has been recorded by the City at historical cost if purchased or constructed or at acquisition 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 with the exception of right to use 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.

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

Assets	Years
Buildings and machinery	40
Water and sewer systems	50
Streets and sidewalks	25
Improvements	20
Software	20
Buses	10
Furniture & fixtures	5
Equipment	5-10

The City's capital assets also include certain intangible right to use assets. These right to use assets arise in association with agreements where the City reports a lease (where the City serves as lessee) or agreements where the City reports an Information Technology (IT) Subscription in accordance with GAAP requirements.

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

The intangible right to use IT subscription assets are initially measured at an amount equal to the initial measurement of the subscription liability plus any subscription payments made at the start of the subscription term, if applicable, plus capitalizable initial implementation costs at the start of the subscription term, less any incentives received from the IT subscription vendor at the start of the subscription term. Subscription payments, as well as payments for capitalizable implementation costs made before the start of the subscription term should be reported as a prepayment (asset). Such prepayments should be reduced by any incentives received from the same vendor before the start of the subscription term if a right of offset exists. The net amount of the prepayments and incentives should be reported as an asset or liability, as appropriate, before the start of the subscription term at which time the amount should be included in the initial measurement of the subscription asset. The intangible right to use subscription assets should be amortized on a straight-line basis over the subscription term.

7. 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 assets 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 deferred bond refunding charges 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 assets 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 prepaid taxes and assessments, property taxes receivable, leases, deferred gain on bond refunding, and pension deferrals for LGERS, LEOSSA, and OPEB Plans.

8. Compensated absences

For the year ended June 30, 2025 the financial statements include the adoption of GASB Statement 101, compensated absences. 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 and it is more likely than not that accumulated sick leave will not be used. 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. The City assumes a last-in, first-out method for compensated absences.

The City's sick leave policy provides for unlimited accumulation of earned sick leave. Sick leave does not vest, but any unused sick leave accumulated at the time of retirement may be used in the determination of length of service for retirement benefits.

The City's additional sick leave policy provided for accumulation of additional sick leave during specific years of employment. This policy has been sunset as of June 30, 2024 and employees no longer accumulate additional sick leave. Remaining balances are not paid out upon separation from the City, however, the government-wide fund balance has been restated in fiscal year 2024-25 due to the implementation of GASB 101 for additional sick leave balances.

9. 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 amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Lease and IT subscription liabilities are reduced as payments are made.

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.

10. 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, bond covenants, regulations of other governments or imposed by law through state statute.

Net position in governmental activities is restricted for other purposes as follows:

Public safety	\$	4,959,029
Inspections		2,150,157
Disaster recovery		1,431,441
	\$	<u>8,540,627</u>

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.

Leases – portion of fund balance that is not an available resource because it represents the year-end balance of the lease receivable in excess of the deferred inflow of resources for the lease receivable, 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 unspent capital debt proceeds – portion of fund balance that is restricted for bond proceeds that are unspent.

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

Restricted for inspections – portion of fund balance that is restricted by State Statute [G.S.160-414(c)].

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

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.

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

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 approved the appropriation; all budget amendments regardless of amount must be submitted to the City council for approval.

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

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

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

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.

As a part of the City's continued fiscal stewardship and commitment to long-term financial planning, City Council approved a change to the excess fund balance policy which increased the City's General Fund annual excess fund balance goal from 14.00% to 17.00% beginning in fiscal year 2024. This policy change provides that any portion of the general fund balance in excess of 17.00% of budgeted expenditures may be appropriated for one-time expenditures and may not be used for any purposes that would obligate the City in a future budget.

11. Pensions and Other Post-Employment Benefits

The City participates in one cost-sharing, multiple employer, defined benefit pension plan that is administered by the State of North Carolina: the Local Government Employees' Retirement System (LGERS). The Law Enforcement Special Separation Allowance (LEOSSA) Plan and Other Post-Employment Benefits (OPEB) Plan are single-employer Trusts administered by the City.

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 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's employer contributions are recognized when due and the City has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of LGERS.

For purposes of measuring the net LEOSSA liability and the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to the LEOSSA and OPEB Plans, and LEOSSA and OPEB expense, information about the fiduciary net position of the LEOSSA and OPEB Plans and additions to/deductions from the fiduciary net position have been determined on the same basis as they are reported by the LEOSSA and OPEB Plans. For this purpose, the LEOSSA and OPEB Plans recognize 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 and OPEB as described above are reported at fair 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. 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, 2025. The City adopts annual budgets prepared on the modified accrual basis for the general fund, general debt service, the enterprise operating and debt funds, the convention center financing fund, the emergency telephone system fund,

internal service funds, and trust funds. All other funds including all governmental and enterprise capital project funds, special revenue and the remaining grant funds adopt life-to-date budgets.

The appropriated budget is prepared by fund. 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 or decreasing total budgeted revenues or 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.

B. Deficit net position / fund balance

As a result of reporting pension and OPEB obligations, one fund reflects a deficit in net position - Vehicle Fleet Services Fund (\$3,595,756). The City funds both the LGERS and OPEB liability based on actuarially determined contributions recommended for the plans.

The grants fund reports a deficit in fund balance of (\$9,424,849). The grant-related project fund deficit is from current expenses that were incurred as of the end of the fiscal year but have not yet been received from federal and/or state granting agencies. These project fund deficits will be eliminated with future reimbursements of federal and state grants.

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, 2025, the City's bank balance in operating accounts was \$49,756,474 and the carrying amount of the City's deposits was \$44,109,566. The difference represents reconciling items such as deposits and payments in transit. Of the bank balance, \$508,093 was covered by federal depository insurance and \$49,248,380 was covered by collateral held under the Pooling Method.

Investments. As of June 30, 2025, 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	\$ 1,118,353,980	65.06%	\$ 289,369,910	\$ 567,786,880	261,197,190
US Government Agencies	Fair Value, Level 2	426,521,680	24.81%	130,855,412	199,342,294	96,323,974
NCCMT - Government Portfolio	Amortized Cost	39,620,657	2.30%	39,620,657	-	-
NC Municipal Bonds	Fair Value, Level 1	29,361,965	1.71%	8,009,913	15,255,438	6,096,614
AGPIP Capital/Risk Reserves	Fair Value, Level 1	56,409,255	3.28%	56,409,255	-	-
AGPIP Capital/Risk Reserves*	Fair Value, Level 2	27,450,372	1.60%	349	-	27,450,023
North Carolina Investment Pool	Amortized Cost	11,233,765	0.65%	11,233,765	-	-
NC Class	Amortized Cost	10,079,856	0.59%	10,079,856	-	-
Total Government-wide investments		\$ 1,719,031,530	100.00%	\$ 545,579,117	\$ 782,384,612	\$ 391,067,801

* BIF portion is allocated to long-term maturity

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.

In accordance with accounting standards, the City reports the market value of all investments at the end of every fiscal year to reflect the impact on the financial results in the unlikely event the City would have to sell all its investments at fiscal year-end market prices. The year-end market value is referred to as a "mark to market" adjustment. This adjustment is reliant upon the change in market values over the prior year. While the City is required to report this adjustment on the financial statements, the City will not realize gains or losses in interest earnings because investments are generally held until maturity to meet the City's future cash flow needs.

At June 30, 2025 the City's capital/risk reserves had \$83,859,627 invested in the Ancillary Governmental Participant Investment Program (AGPIP) established by the NC Department of State Treasurer (NCDST), pursuant to G.S. 159-30.1. The AGPIP Program may invest in public equities and both long-term and short-term fixed income obligations as determined by the State Treasurer pursuant to the General Statutes. At year-end, the City's capital/risk reserves were invested as follows: Bond Index Fund (BIF) 32.73% and Equity Index Fund (EIF) 67.27% (the equities were split with 64.07% in domestic securities and 35.93% in international securities).

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 and risk reserves, Other Post-Employment Benefits Trust fund and Law Enforcement Officer's Special Separation Allowance Trust

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+	Aa1	AA+
US Government Agency Securities	AA+	Aa1	AA+
NCCMT - Government Portfolio	AAAm	AAAmf	N/A
NCIP	AAAm	N/A	AAAmmf
NC Class	AAAm	N/A	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, 2025, NC municipal bonds comprise 1.71% of the total investment portfolio.

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, 2025 is as follows:

	Government-wide	Fiduciary	Total
Petty cash and change funds	\$ 15,512	\$ -	\$ 15,512
Deposits (checking, money market)	65,125,756	-	65,125,756
Fiduciary cash and investments	-	239,992,363	239,992,363
Investments	1,719,031,530	-	1,719,031,530
Total cash and cash equivalents	1,784,172,798	239,992,363	2,024,165,161
Restricted deposits and bond proceeds	113,852,316	-	113,852,316
Total cash	\$ 1,898,025,114	\$ 239,992,363	\$ 2,138,017,477

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. Lease receivable

The City has entered into multiple governmental activities leases as lessor of office space. For the year ended June 30, 2025, the value of the lease receivable is \$18,469,959. The leases have interest rates ranging from 0.00 – 2.583%. The value of the deferred inflows of resources for the year ended June 30, 2025 was \$16,881,002, and the City recognized lease revenue of \$861,901 during the year.

The City has entered into multiple business-type leases as lessor of parking decks. For the year ended June 30, 2025, the value of the lease receivable is \$11,180,001. The leases have interest rates ranging from 1.991

– 2.844%. The value of the deferred inflows of resources for the year ended June 30, 2025 was \$10,077,066, and the City recognized lease revenue of \$801,521 during the year.

The City has entered into multiple business-type leases as lessor of cell towers. For the year ended June 30, 2025, the value of the lease receivable is \$3,749,250. The leases have interest rates ranging from 0.00 – 2.844%. The value of the deferred inflows of resources for the year ended June 30, 2025 was \$3,433,501, and the City recognized lease revenue of \$673,119 during the year.

C. Capital assets

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

	July 1, 2024	Additions	Transfers	Deletions	June 30, 2025
Governmental activities					
Capital assets, not being depreciated:					
Land	\$ 235,570,434	\$ 7,842,347	\$ 466,699	\$ -	\$ 243,879,480
Construction in progress	400,758,163	173,256,610	(24,515,375)	(3,027,526)	546,471,872
Total capital assets, not being depreciated	636,328,597	181,098,957	(24,048,676)	(3,027,526)	790,351,352
Capital assets, being depreciated and amortized:					
Buildings and machinery	374,584,946	-	-	-	374,584,946
Streets and sidewalks	957,136,715	8,894,889	8,398,468	-	974,430,072
Buses	459,066	863,278	-	-	1,322,344
Equipment	180,536,181	17,899,896	(65,772)	(3,535,760)	194,834,545
Furniture and fixtures	1,309,857	-	-	-	1,309,857
Improvements - general and parks	483,812,219	2,332,358	14,626,839	(7,298)	500,764,118
Software	47,889,307	31,813	1,023,369	-	48,944,489
Intangible right to use assets:					
Lease land	118,375	-	-	-	118,375
Lease buildings	12,388,235	8,204,481	-	-	20,592,716
Lease equipment	18,744,422	7,058,772	-	-	25,803,194
IT subscriptions	6,236,709	2,035,380	-	-	8,272,089
Total capital assets being depreciated	2,083,216,032	47,320,867	23,982,904	(3,543,058)	2,150,976,745
Less accumulated depreciation and amortization for:					
Buildings and machinery	123,753,741	8,879,528	-	-	132,633,269
Streets and sidewalks	661,193,705	25,195,806	-	-	686,389,511
Buses	137,718	132,235	-	-	269,953
Equipment	132,956,340	15,194,968	(57,239)	(3,470,787)	144,623,282
Furniture and fixtures	1,309,857	-	-	-	1,309,857
Improvements - general and parks	255,800,954	19,841,132	-	(7,298)	275,634,788
Software	32,923,598	2,447,224	-	-	35,370,822
Intangible right to use assets:					
Lease land	88,782	29,593	-	-	118,375
Lease buildings	6,006,551	2,538,434	-	-	8,544,985
Lease equipment	9,290,966	4,380,665	-	-	13,671,631
IT subscriptions	4,342,328	2,070,990	-	-	6,413,318
Total accumulated depreciation and amortization	1,227,804,540	80,710,575	(57,239)	(3,478,085)	1,304,979,791
Total capital assets being depreciated, net	855,411,492	(33,389,708)	24,040,143	(64,973)	845,996,954
Governmental activities capital assets, net	\$ 1,491,740,089	\$ 147,709,249	\$ (8,533)	\$ (3,092,499)	\$ 1,636,348,306

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

General government	\$	10,567,434
Community development		183,482
Public infrastructure		35,973,769
Public safety		6,138,041
Leisure services		15,975,321
Capital assets held by certain internal service funds are charged to the various governmental functions based on the usage of the assets		<u>11,872,528</u>
Total depreciation and amortization - governmental activities	\$	<u>80,710,575</u>

The amount reported as additions includes \$8,977,353 from annexations.

	July 1, 2024	Additions	Transfers	Deletions	June 30, 2025
Business-type activities					
Capital assets, not being depreciated:					
Land	\$ 107,144,615	\$ 3,990,443	\$ -	\$ -	\$ 111,135,058
Construction in progress	746,462,270	169,152,911	(14,170,927)	(3,501,608)	897,942,646
Watershed protection rights	<u>6,280,059</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,280,059</u>
Total capital assets, not being depreciated	<u>859,886,944</u>	<u>173,143,354</u>	<u>(14,170,927)</u>	<u>(3,501,608)</u>	<u>1,015,357,763</u>
Capital assets, being depreciated and amortized:					
Buildings and machinery	405,875,979	-	-	-	405,875,979
Water and sewer systems	2,003,223,002	61,045,024	11,824,618	-	2,076,092,644
Parking decks	156,535,540	-	-	-	156,535,540
Buses	81,971,221	5,903,075	-	-	87,874,296
Equipment	136,727,274	14,371,117	65,772	(6,688,615)	144,475,548
Furniture and fixtures	2,856,864	-	-	-	2,856,864
Improvements	495,208,975	6,594	2,346,309	-	497,561,878
Intangible right to use assets					
Lease land	232,038	-	-	-	232,038
Lease equipment	4,428,522	2,131,534	-	-	6,560,056
IT subscriptions	<u>4,261,743</u>	<u>2,119,124</u>	<u>-</u>	<u>-</u>	<u>6,380,867</u>
Total capital assets being depreciated	<u>3,291,321,158</u>	<u>85,576,468</u>	<u>14,236,699</u>	<u>(6,688,615)</u>	<u>3,384,445,710</u>
Less accumulated depreciation and amortization for:					
Buildings and machinery	192,042,816	9,736,907	-	-	201,779,723
Water and sewer systems	624,571,014	41,581,835	-	-	666,152,849
Parking decks	74,873,788	3,993,560	-	-	78,867,348
Buses	43,206,951	7,038,686	-	-	50,245,637
Equipment	109,302,666	10,104,332	57,239	(6,654,660)	112,809,577
Furniture and fixtures	2,852,656	1,053	-	-	2,853,709
Improvements	227,826,884	21,867,094	-	-	249,693,978
Intangible right to use assets					
Lease land	94,347	25,675	-	-	120,022
Lease equipment	2,443,199	1,112,342	-	-	3,555,541
IT subscriptions	<u>1,912,840</u>	<u>1,089,455</u>	<u>-</u>	<u>-</u>	<u>3,002,295</u>
Total accumulated depreciation and amortization	<u>1,279,127,161</u>	<u>96,550,939</u>	<u>57,239</u>	<u>(6,654,660)</u>	<u>1,369,080,679</u>
Total capital assets being depreciated, net	<u>2,012,193,997</u>	<u>(10,974,471)</u>	<u>14,179,460</u>	<u>(33,955)</u>	<u>2,015,365,031</u>
Business-type activities capital assets, net	<u>\$ 2,872,080,941</u>	<u>\$ 162,168,883</u>	<u>\$ 8,533</u>	<u>\$ (3,535,563)</u>	<u>\$ 3,030,722,794</u>

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

Water/Sewer	\$	59,034,165
Convention center		9,303,034
Parking		4,554,313
Mass Transit		8,920,505
Stormwater		5,830,343
Solid Waste Services		789,540
Capital assets held by certain internal service funds are charged to the various business-type activities based on the usage of the assets		8,119,039
Total depreciation and amortization - business-type activities	\$	<u>96,550,939</u>

The amount reported as additions for water and sewer systems includes \$60,779,334 from annexations.

Commitments - construction projects. As of June 30, 2025, the City has \$583,466,739 in project obligations for business-type activities for construction projects in progress including encumbered amounts as follows: \$379,683,196 for water and sewer projects, \$70,449 for solid waste projects, \$110,972,817 for transit projects, \$32,347,241 for stormwater projects, \$57,878,176 for convention center projects and \$1,671,994 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 \$516,339,080 in general government project obligations as of June 30, 2025. 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, 2025.

D. Unavailable revenue

The City reports unavailable revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. At the end of the current fiscal year, the various components of deferred revenue reported in the governmental funds were as follows:

	General	Nonmajor Governmental	Total
Amounts arising from cash:			
Unavailable revenue	\$ -	\$ 243,621	\$ 243,621
	-	243,621	243,621
Amounts not arising from cash:			
Taxes receivable	1,580,628	-	1,580,628
Assessments receivable	238,649	109,138	347,787
	1,819,277	109,138	1,928,415
Total	\$ 1,819,277	\$ 352,759	\$ 2,172,036

E. 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, 2025, is as follows:

Receivable Fund	Payable Fund	Amount
General fund	Nonmajor governmental funds	\$ 7,590,482
	Water and sewer fund	21,535
	Convention center fund	14,475
	Mass transit fund	381,419
	Parking fund	4,954,632
	Solid waste services fund	547
	Internal service funds	8,232
	Subtotal	12,971,322
Nonmajor governmental funds	General fund	117,035
	Nonmajor governmental funds	2,175,771
	Mass transit fund	231,924
	Subtotal	2,524,730
Water and sewer fund	General fund	7,352
Convention center fund	General fund	58
Stormwater fund	General fund	109
Parking fund	General fund	1,975
Internal service funds	General fund	45,838
	Total	\$ 15,551,384

The largest component of the \$12,971,322 receivables in the general fund represents an interfund loan for cash deficits that were covered by the general fund and reclassified to the nonmajor governmental grants fund (\$7,590,482). This reclassification occurs due to the nature of grant drawdowns and the fact the City has pre-spending authority on many transit grant projects. There is also an interfund outstanding loan (\$4,954,632) 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.

A summary of interfund transfers for the fiscal year ended June 30, 2025 is as follows:

Funds	General fund	Nonmajor governmental	Solid Waste Services	Stormwater	Parking	Convention Center	Mass transit	Internal service	Total Transfers Out
General fund	\$ -	\$ 73,817,084	\$ 4,424,005	\$ -	\$ 2,738,788	\$ 11,966,926	\$ 26,183,850	\$ 2,514,942	\$ 121,645,595
Nonmajor governmental	6,019,835	6,695,404	-	100,000	-	34,035,403	-	-	46,850,642
Solid waste services	-	15,000	-	-	-	-	-	-	15,000
Stormwater	307,108	50,000	-	-	-	-	-	-	357,108
Water and Sewer	-	20,000	-	-	-	-	-	-	20,000
Total Transfers In	\$ 6,326,943	\$ 80,597,488	\$ 4,424,005	\$ 100,000	\$ 2,738,788	\$ 46,002,329	\$ 26,183,850	\$ 2,514,942	\$ 168,888,345

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 which include subsidies to solid waste services and mass

transit. Additionally, transfers from the general fund to nonmajor governmental funds include budgetary authorizations to fund paygo capital projects.

The transfer made internally in the general fund between its operating and debt service components was \$100,124,193. This transfer was eliminated as part of the consolidation of the general fund as reported in the basic financial statements.

F. Long-term obligations

1. Leases and IT Subscriptions

The City has entered into multiple leases as lessee of land. For the year ended June 30, 2025, the value of the lease liability is \$4,870,201. The leases have interest rates ranging from 0.727 – 1.527%.

The City has entered into multiple leases as lessee of buildings. For the year ended June 30, 2025, the value of the lease liability is \$7,613,658. The leases have interest rates ranging from 0.514 – 1.913%.

The City has entered into multiple leases as lessee of equipment. For the year ended June 30, 2025, the value of the lease liability is \$15,514,043. The leases have interest rates ranging from 0.514 – 6.750%.

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

Year Ending June 30	Principal Payments	Interest Payments	Total
2026	\$ 7,754,250	\$ 984,669	\$ 8,738,919
2027	6,189,478	665,628	6,855,106
2028	4,927,466	398,177	5,325,643
2029	3,454,765	180,940	3,635,705
2030	1,439,675	63,442	1,503,117
2031-2035	4,232,268	109,675	4,341,943
	<u>\$ 27,997,902</u>	<u>\$ 2,402,531</u>	<u>\$ 30,400,433</u>

The City has entered into multiple subscription-based information technology arrangements. For the year ending June 30, 2025, the value of the IT subscription liability is \$4,181,541. The IT subscriptions have interest rates ranging from 0.00 - 2.66%.

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

Year Ending June 30	Principal Payments	Interest Payments	Total
2026	\$ 2,371,313	\$ 59,037	2,430,350
2027	997,955	26,424	1,024,379
2028	293,560	10,431	303,991
2029	243,675	8,453	252,128
2030	111,806	6,422	118,227
2031-2035	163,232	6,534	169,766
	<u>\$ 4,181,541</u>	<u>\$ 117,301</u>	<u>\$ 4,298,841</u>

2. 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 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.

During the fiscal year 2024-25, the City issued \$104,165,000 of general obligation bonds. The issuance consisted of refunding of General Obligation Bond Anticipation Notes, which were previously outstanding. The amounts consisted of \$79,165,000 for streets (\$55,881,176) and parks (\$23,283,824) projects and \$25,000,000 of taxable housing bonds. These bonds mature serially over 20 years and carry fixed coupon rates of 3.00% to 5.50%

General obligation bonds outstanding at June 30, 2025 are as follows:

Governmental Activities	Interest Rates	Date Issued	Date Series Matures	Amount of Original Issue	Balance Outstanding June 30, 2025	Due Within One Year Fiscal 2025-2026
Public Improvement, Series 2012A	3.00% to 5.00%	05/15/2012	04/01/2032	\$ 9,000,000	\$ 1,650,000	\$ -
Public Improvement, Series 2012B	3.00% to 5.00%	05/16/2012	04/01/2032	138,600,000	24,950,000	-
Public Improvement, Series 2014	3.00% to 3.25%	06/26/2014	06/01/2032	15,000,000	6,600,000	800,000
Street Improvement, Series 2015A	3.00% to 5.00%	06/24/2015	06/01/2034	5,050,000	2,550,000	250,000
GO Bonds, Series 2015B	3.00% to 5.00%	06/25/2015	06/01/2034	20,000,000	10,000,000	1,000,000
Housing Bonds, Series 2015C - Taxable	3.00% to 4.00%	06/25/2015	06/01/2034	10,000,000	5,000,000	500,000
General Obligation Refunding, Series 2016A	2.25% to 5.00%	03/02/2016	09/01/2030	101,850,000	60,120,000	15,630,000
Housing Bonds, Series 2016C	2.00% to 3.375%	03/02/2016	02/01/2036	6,000,000	3,300,000	300,000
Public Improvement Bonds, Series 2017	3.00% to 5.00%	02/14/2017	02/01/2037	68,000,000	40,800,000	3,400,000
GO Bonds, Series 2023A	4.00% to 5.00%	04/27/2023	04/01/2043	137,785,000	124,010,000	6,890,000
GO Housing Bonds, Series 2023B - Taxable	4.00% to 5.00%	04/27/2023	04/01/2043	4,695,000	4,225,000	235,000
GO Bonds, Series 2025A	3.00% to 5.00%	05/08/2025	04/01/2045	79,165,000	79,165,000	3,950,000
GO Housing Bonds, Series 2025B - Taxable	3.00% to 5.50%	05/08/2025	04/01/2045	25,000,000	25,000,000	1,250,000
Total Governmental Activities					\$ 387,370,000	\$ 34,205,000

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

Fiscal Year Ending June 30	Governmental Activities	
	Principal	Interest
2026	\$ 34,205,000	\$ 16,751,568
2027	34,180,000	15,638,032
2028	33,660,000	14,259,353
2029	31,240,000	12,675,927
2030	31,085,000	11,494,753
2031-2035	106,835,000	40,498,678
2036-2040	68,770,000	21,025,964
2041-2045	47,395,000	5,821,163
	\$ 387,370,000	\$ 138,165,438

2a. 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. During 2024-25 the City drew \$57,849,000 from the GO BANs 2023A and 2023B series, which was fully refunded during the year.

During fiscal year 2024-25, the City opened a new BAN program, 2025A and 2025B. The aggregate principal amount of the notes outstanding from the 2025A and 2025B series at any one time shall not exceed \$264,475,000. For the general obligation notes, the City has pledged its full 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 8, 2028, and the BANs can be refinanced with a notice period of 30 days. The City had 2025A and 2025B series direct placement general obligation bond anticipation notes payable of \$32,579,142 outstanding at June 30, 2025. 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
2026	\$ -	\$ 1,061,426
2027	-	1,061,426
2028	32,579,142	176,904
	<u>\$ 32,579,142</u>	<u>\$ 2,299,756</u>

2b. Status of Bond Authorizations

The following represent continuing authorization of general obligation bonds, which were unsold at June 30, 2025:

Purpose	Date of Authorization	Type of Authorization	Bonds Authorized Not Yet Issued	Bonds Authorized Not Issued/Drawn
Transportation*	10/10/2017	Go Voted	\$ 103,593,824	\$ 99,475,000
Housing	11/03/2020	Go Voted	55,000,000	55,000,000
Parks and Recreation	11/08/2022	Go Voted	251,716,176	110,000,000
Total			<u>\$ 410,310,000</u>	<u>\$ 264,475,000</u>

Note: BANs are not considered issued from a legal perspective

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

3. Defeased debt and refundings

During the fiscal year 2024-25, the City issued \$104,165,000 of general obligation bonds to generate resources for future debt service payments on refunded General Obligation 2023A and 2023B direct placement bond anticipation notes (BANs) outstanding in the amount of \$110,000,000. The reacquisition price, including premiums, exceeded the net carrying amount of the BANs by \$831,332. This amount is being netted against the new debt and deferred and recognized over the remaining life of the refunded debt.

Also in fiscal year 2024-25, the City issued \$192,645,000 in limited obligation bonds to generate resources for future debt payments on the following full refundings:

- \$97,545,000 certificates of participation from series 2005B supporting the convention center including termination of the interest rate swap associated with this issuance

- \$55,000,000 certificates of participation from series 2004A supporting the convention center
- \$40,035,000 limited obligation bonds from series 2014A supporting general government
- \$13,085,000 limited obligation bonds from series 2014B supporting parking

As a result of the refundings listed above, the reacquisition price exceeded the net carrying amount of the bonds by \$295,331. This amount is being netted against the new debt and deferred and recognized over the remaining life of the refunded debt. The refunding was undertaken to reduce future debt payments and resulted in an economic gain.

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 into 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, 2025, the City has no defeased debt outstanding.

Subsequent debt issuance

In October 2025, the City issued \$68,175,000 in limited obligation bonds to fund public improvements in a downtown Convention Center hotel project.

4. 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 2024-25 were 17.5% of gross utility revenue and are expected to remain in this range.

Revenue bonds outstanding at June 30, 2025 are as follows:

Water and Sewer Revenue Bonds	Interest Rates	Date Issued	Date Series Matures	Amount of Original Issue	Balance Outstanding June 30, 2025	Due Within One Year Fiscal 2025-2026
Water/Sewer Refunding, Series 2015A	3.25 - 4.00%	04/30/2015	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	6,610,000	6,610,000
Water/Sewer, Series 2016A	3.00 - 5.00%	11/16/2016	03/01/2046	99,170,000	83,845,000	2,635,000
Water/Sewer Refunding, Series 2016B	3.00 - 5.00%	11/16/2016	03/01/2040	92,190,000	78,300,000	3,920,000
Water/Sewer Refunding, Series 2019	1.75 - 3.24%	11/26/2019	03/01/2043	185,305,000	150,120,000	13,965,000
Water/Sewer Refunding, Series 2023	4.00 - 5.00%	06/15/2023	09/01/2053	303,205,000	287,910,000	9,105,000
Total Water and Sewer Revenue Bonds					\$ 654,600,000	\$ 36,235,000

Annual debt service requirements to maturity are as follows:

Fiscal Year Ending June 30	Business-type Activities	
	Principal	Interest
2026	\$ 36,235,000	\$ 25,547,112
2027	36,365,000	24,270,158
2028	37,660,000	22,965,925
2029	38,865,000	21,739,179
2030	40,135,000	20,458,117
2031-2035	196,020,000	78,713,029
2036-2040	108,750,000	44,871,542
2041-2045	69,685,000	27,226,485
2046-2050	48,910,000	13,807,400
2051-2054	41,975,000	3,441,700
	<u><u>\$ 654,600,000</u></u>	<u><u>\$ 283,040,647</u></u>

4a. 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 from the 2023 series at any one time shall not exceed \$215,000,000. 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 June 20, 2026, and the BANs can be refinanced with a notice period of 30 days. The City drew \$93,500,000 in 2025 and had direct placement revenue bond anticipation notes payable of \$176,700,000 outstanding at June 30, 2025. 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	Business-Type Activities	
	Principal	Interest
2026	176,700,000	2,405,374
	<u><u>\$ 176,700,000</u></u>	<u><u>\$ 2,405,374</u></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. Management believes the City was in compliance with all such covenants during the fiscal year ended June 30, 2025.

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

Operating revenues	\$ 327,798,838
Operating expenses	(205,962,423)
Operating income	121,836,415
Nonoperating revenues	94,918,984
Nonoperating expenses	(30,254,563)
Change in net position	186,500,836
Allowable revenue adjustments for calculation	(76,502,997)
Allowable expense adjustments for calculation	95,373,124
Income available for debt service	\$ 205,370,963
Debt service, principal and interest paid on revenue bonds and certain state loans (Parity)	\$ 74,021,757
Debt service coverage ratio	2.77

5. Other long-term obligations

Other long-term obligations include reimbursement contracts, certificates of participation, installment financing agreements, limited obligation bonds, compensated absences and landfill closure and postclosure costs to be paid in future periods including interest on certificates, installment financing agreements and other installment obligations.

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. As referenced in the defeased debt and refunding section, the prior issued certificates of participation were fully refunded in July 2024. During fiscal year 2024-25, the City issued \$145,145,000 of new limited obligation notes.

The City has previously entered into installment financing agreements to finance various convention center capital projects. These agreements bear fixed interest at rates ranging from 4.00% to 4.75%. 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 - Convention Center	Date Issued	Date Series Matures	Amount of Original Issue	Balance Outstanding June 30, 2025	Due Within One Year Fiscal 2025-2026
2016 PNC Refunding	02/24/2016	02/01/2036	\$ 7,711,750	\$ 4,231,925	\$ 386,950
Limited Obligation Bds 2016	02/24/2016	02/01/2036	9,243,425	5,073,398	463,784
Limited Obligation Bds 2024 - Refunded 2004A & 2005B COPS	07/09/2024	10/01/2033	145,145,000	134,880,000	12,205,000
Total Installment Financing Agreements - Convention Center				\$ 144,185,323	\$ 13,055,734

Annual maturities are as follows:

Fiscal Year Ending June 30	Business-type Activities	
	Principal	Interest
2026	\$ 13,055,734	\$ 6,819,744
2027	13,575,734	6,153,957
2028	14,193,010	5,459,670
2029	14,868,010	2,305,145
2030	15,548,977	3,972,619
2031-2035	72,099,881	7,450,455
2036	843,977	25,319
	<u>\$ 144,185,323</u>	<u>\$ 32,186,909</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 1.80% at June 30, 2025, for the purpose of rehabilitating existing structures and constructing remote operations centers. During fiscal year 2024-25, the City issued \$35,680,000 of limited obligation notes. 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 Outstanding June 30, 2025	Due Within One Year Fiscal 2025-2026
Dix Park Acquisition IFA 2015	07/24/2015	07/01/2025	52,000,000	5,200,000	5,200,000
Limited Obligation Bds 2016 - Refunded 2007 COPS (Fayetteville St)	02/24/2016	02/01/2027	3,031,757	591,869	296,205
Limited Obligation Bds 2016 - Refunded 2007 COPS (Transfer Station)	02/24/2016	02/01/2027	906,722	213,427	104,120
Limited Obligation Bds 2016 - Refunded PNC Draw Prog	02/24/2016	02/01/2036	6,438,250	3,533,075	323,050
Limited Obligation Bds 2016 - New Money	02/24/2016	02/01/2036	2,216,575	1,216,602	111,216
Limited Obligation Bds 2016A - Refunded 2009 LOBS	06/15/2016	06/01/2034	23,577,928	11,772,918	1,308,102
Limited Obligation Bds 2020A - New Money	06/18/2020	10/01/2038	36,965,000	27,720,000	1,850,000
Limited Obligation Bds 2020A - Refunded 2010A LOBs	06/18/2020	10/01/2038	17,390,974	11,837,070	1,136,113
Limited Obligation Bds 2020B - Refunded 2013A LOBs	06/18/2020	10/01/2038	33,935,000	31,120,000	2,585,000
Limited Obligation Bds 2024 - Refunded 2014A LOBs	07/09/2024	10/01/2039	35,680,000	35,680,000	2,315,000
Total Installment Financing Agreements - General Governmental				<u>\$ 128,884,961</u>	<u>\$ 15,228,806</u>

Annual maturities are as follows:

Fiscal Year Ending June 30	Governmental Activities	
	Principal	Interest
2026	\$ 15,228,806	\$ 4,749,136
2027	9,964,966	4,296,157
2028	9,494,234	3,898,664
2029	9,470,750	3,517,293
2030	9,450,945	3,131,545
2031-2035	45,609,236	9,870,873
2036-2040	29,666,024	2,576,983
	<u>\$ 128,884,961</u>	<u>\$ 32,040,651</u>

General Governmental Limited Obligation Bond Anticipation Notes. The City has available a direct placement obligation bond anticipation note (BAN) program to finance city hall and other public safety facilities. 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. During 2024-25 the City drew \$39,987,449 from the LOBs BANs 2024 series.

The aggregate principal amount of the notes outstanding at any one time shall not exceed \$100,000,000. For the general government limited obligation notes, the city has pledged real property, such as city owned buildings, land, and/or equipment as security for the notes. The notes will be replaced by permanent financing with limited obligation bonds on or before the notes mature on May 23, 2027, and the BANs can be refinanced with a notice period of 30 days. The City had direct placement limited obligation bond anticipation notes payable of \$58,618,856 outstanding at June 30, 2025. Interest rates are based upon market conditions. During the fiscal year 2024-25, the City issued \$35,680,000 in limited obligation notes.

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

Fiscal Year Ending June 30	Governmental Activities	
	Principal	Interest
2026	\$ -	\$ 1,197,785
2027	58,618,856	199,631
	<u>\$ 58,618,856</u>	<u>\$ 1,397,416</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 1.80% at June 30, 2025. There are also two variable rate agreements that each had an interest rate of 1.80% at June 30, 2025. Principal and interest requirements will be provided by appropriation in the year in which they become due. During the fiscal year 2024-25, the City issued \$11,820,000 in limited obligation, notes. A detail of these debt issues is as follows:

Installment Financing Agreements - Parking	Date Issued	Date Series Matures	Amount of Original Issue	Balance Outstanding June 30, 2025	Due Within One Year Fiscal 2025-2026
COPS 2008 - Taxable - Blount St Parking Deck	08/13/2008	08/01/2033	\$ 12,950,000	\$ 5,605,000	\$ 590,000
COPS 2009 - Taxable - Site One Parking Deck	08/12/2009	08/01/2035	24,875,000	13,955,000	1,130,000
Limited Obligation Bds 2016 - Refunded 2007 COPS	02/24/2016	02/01/2032	9,429,633	4,925,996	673,193
Limited Obligation Bds 2024 - Refunded 2014B LOBs	07/09/2024	10/01/2034	11,820,000	11,820,000	935,000
Total Installment Financing Agreements - Parking				\$ 36,305,996	\$ 3,328,193

Annual maturities are as follows:

Fiscal Year Ending June 30	Business-type Activities	
	Principal	Interest
2026	\$ 3,328,193	\$ 1,523,887
2027	3,487,803	1,368,368
2028	3,550,000	1,205,169
2029	3,730,000	1,040,121
2030	3,910,000	868,206
2031-2035	18,300,000	1,775,815
	\$ 36,305,996	\$ 7,781,566

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 1.80% at June 30, 2025 (design and construction of remote operations center). A detail of these debt issues is as follows:

Installment Financing Agreements - Solid Waste Services	Date Issued	Date Series Matures	Amount of Original Issue	Balance Outstanding June 30, 2025	Due Within One Year Fiscal 2025-2026
Limited Obligation Bds 2016 - Refunded 2007 COPS	02/24/2016	02/01/2027	\$ 3,626,888	\$ 853,707	\$ 416,482
Limited Obligation Bds 2016A - Refunded 2009 LOBS	06/15/2016	06/01/2034	1,295,928	647,082	71,898
Limited Obligation Bds 2020A - Refunded 2010A LOBS	06/18/2020	06/01/2035	5,264,026	3,582,930	343,887
Total Installment Financing Agreements - Solid Waste Services				\$ 5,083,719	\$ 832,267

Annual maturities are as follows:

Fiscal Year Ending June 30	Business-type Activities	
	Principal	Interest
2026	\$ 832,267	\$ 233,852
2027	856,495	193,880
2028	422,756	153,515
2029	426,241	133,097
2030	425,079	112,504
2031-2035	2,120,881	253,564
	<u>\$ 5,083,719</u>	<u>\$ 1,080,412</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 3.38%. Principal and interest requirements for these debt issues will be provided by appropriation in the year they become due. During fiscal year 2024-25, the City issued \$63,166,016 new installment financing agreements to continue this effort. A detail of debt issues is as follows:

Installment Financing Agreements - Internal Service Funds	Date Issued	Date Series Matures	Amount of Original Issue	Balance Outstanding June 30, 2025	Due Within One Year Fiscal 2025-2026
Equipment Acquisition Project, Series 2021	06/17/2021	06/30/2026	37,010,400	7,493,653	7,493,653
Equipment Acquisition Project, Series 2023	06/14/2023	06/30/2028	43,000,000	26,652,700	8,588,860
Equipment Acquisition Project, Series 2025	06/11/2025	06/30/2030	63,166,016	63,166,016	11,800,834
Total Installment Financing Agreements - Internal Service				<u>\$ 97,312,369</u>	<u>\$ 27,883,347</u>

Annual maturities are as follows:

Fiscal Year Ending June 30	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2026	17,407,405	2,079,660	10,475,942	812,640
2027	14,828,436	1,577,799	6,252,757	585,906
2028	15,336,956	1,074,596	6,467,786	374,154
2029	9,983,533	602,735	3,065,616	185,080
2030	10,323,828	247,779	3,170,111	76,085
	<u>\$ 67,880,158</u>	<u>\$ 5,582,569</u>	<u>\$ 29,432,212</u>	<u>\$ 2,033,865</u>

State Revolving Loans. During the current fiscal year, the City's Water and Sewer Utility enterprise did not receive any new proceeds from state revolving fund loans. These loans carry fixed interest rates of 0.00% to 2.45% 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 to 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	Series Matures	Original Issue	June 30, 2025	Fiscal 2025-2026
Water and Sewer:						
Spray Irrigation	0.00%	09/01/2010	05/01/2030	625,694	140,678	28,136
Crabtree Creek North Bank Interceptor	2.45%	07/05/2011	05/01/2033	11,094,556	3,884,391	485,549
Centennial Reuse Pipeline Segment 4	0.00%	05/01/2012	05/01/2033	5,125,312	1,524,190	190,524
NRWWTP 15MGD Expansion	2.00%	4/18/2013	05/01/2037	27,638,450	16,583,071	1,381,922
DE Benton Backwash Waste Facility	0.00%	5/18/2013	05/01/2034	7,075,847	3,304,412	367,157
Sodium Permanganate Facility	0.00%	3/26/2015	05/01/2036	3,678,800	1,730,679	157,334
Crabtree Creek Improvement Phase II	2.00%	7/13/2015	05/01/2037	37,500,000	14,058,517	1,875,000
Bioenergy Recovery	0.00%	10/3/2017	05/01/2043	50,000,000	41,883,596	2,500,000
Water and Sewer Total State Revolving Loans					\$ 83,109,534	\$ 6,985,622

Annual maturities for Water and Sewer Utility are as follows:

Fiscal Year Ending June 30	Business-type Activities	
	Principal	Interest
2026	\$ 6,985,622	\$ 854,262
2027	6,985,622	777,203
2028	6,985,623	700,144
2029	6,985,621	623,085
2030	6,985,622	546,027
2031-2035	28,376,648	1,586,175
2036-2040	15,421,180	149,892
2041-2043	4,383,596	-
	\$ 83,109,534	\$ 5,236,788

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, 2025	Due Within One Year Fiscal 2025-2026
Upper Longview Restoration	0.00%	01/16/2013	05/01/2034	\$ 2,034,751	\$ 915,638	\$ 101,738

Annual maturities for the Stormwater Utility are as follows:

Fiscal Year Ending June 30	Business-type Activities Principal
2026	\$ 101,738
2027	101,738
2028	101,737
2029	101,737
2030	101,737
2031-2034	406,951
	<u>\$ 915,638</u>

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 \$4,450,744 reported as landfill postclosure liability as of June 30, 2025 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 demonstrated compliance by the completion of the local government financial assurance test submitted to NC Department of Environmental Quality – Solid Waste Section on November 26, 2024.

6. Changes in long-term liabilities

There were current year additions to general obligation bond anticipation notes of \$90.4 million, limited obligation bond anticipation notes of \$40.0 million and revenue bond anticipation notes of \$93.5 million, which consisted of bond anticipation notes for parks and transportation needs, city hall and public safety facilities as well as water and sewer utility needs, respectively.

The long-term liabilities arising from governmental activities including pension liabilities are liquidated from the General Fund and from the City's internal service funds which predominantly serve the governmental funds including risk management and vehicle fleet services. Long-term liabilities for these internal service funds are included as part of the totals for governmental activities. At year end governmental activities included, \$446,132 compensated absences, \$84,761 were issued leases and lease repayments were \$28,926 for internal service funds, as well as \$67,880,158 of installment financing agreements are included in support of internal service funds.

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

Governmental activities:	Balance July 1, 2024	Additions	Reductions	Balance June 30, 2025	Due Within One Year
General obligation bonds	\$ 312,150,000	\$ 104,165,000	\$ 28,945,000	\$ 387,370,000	\$ 34,205,000
Unamortized premiums - GO bonds	45,954,266	10,943,457	8,191,593	48,706,130	4,541,312
Bond anticipation notes - GO	52,151,000	90,428,142	110,000,000	32,579,142	-
Bond anticipation notes - LOB	18,631,407	39,987,449	-	58,618,856	-
Installment financing agreements	177,107,093	84,006,522	64,348,496	196,765,119	32,636,211
Unamortized premiums on IFA	8,436,826	-	527,302	7,909,524	527,302
Lease liabilities	16,431,424	15,263,223	6,896,453	24,798,194	7,046,840
IT subscription liabilities	1,702,844	2,035,380	2,254,871	1,483,353	1,205,274
Compensated absences	30,842,655	19,279,113	17,699,205	32,422,563	13,150,702
Claims payable	24,113,195	1,285,989	-	25,399,184	11,032,628
Subtotal before pension	687,520,710	367,394,275	238,862,920	816,052,065	104,345,269
Net pension liability (LEOSSA)	50,291,604	1,833,677	-	52,125,281	-
Net pension liability (LGBERS)	157,917,741	-	3,920,058	153,997,683	-
Net OPEB liability	155,531,991	-	2,024,877	153,507,114	-
Subtotal pension	363,741,336	1,833,677	5,944,935	359,630,078	-
Total governmental activities	\$ 1,051,262,046	\$ 369,227,952	\$ 244,807,855	\$ 1,175,682,143	\$ 104,345,269

Long-term liability business-type activity for the year ended June 30, 2025 is on the following page.

Business-type activities:	Balance July 1, 2024	Additions	Reductions	Balance June 30, 2025	Due Within One Year
<i>Water and Sewer:</i>					
Revenue bonds	\$ 689,485,000	\$ -	\$ 34,885,000	\$ 654,600,000	\$ 36,235,000
Unamortized premium - Rev. bonds	50,360,670	-	2,856,164	47,504,506	2,856,164
Bond anticipation notes - Revenue	83,200,000	93,500,000	-	176,700,000	176,700,000
State revolving loans	90,245,156	-	7,135,622	83,109,534	6,985,622
Lease liabilities	1,007,702	1,024,298	596,859	1,435,141	512,027
IT subscription liabilities	1,466,471	2,062,653	1,420,192	2,108,932	1,179,567
Compensated absences	4,246,338	2,839,394	2,800,165	4,285,567	2,453,057
Net pension liability (LGRS)	32,556,515	-	795,188	31,761,327	-
Net OPEB liability	33,296,327	-	410,748	32,885,579	-
Subtotal Water and Sewer	985,864,179	99,426,345	50,899,938	1,034,390,586	226,921,437
<i>Convention Center Complex:</i>					
Installment financing agreements	162,701,058	145,145,000	163,660,735	144,185,323	13,055,734
Unamortized premiums - IFA	1,414,574	13,678,725	801,817	14,291,482	801,818
Lease liabilities	587,960	860,244	307,712	1,140,492	309,714
IT subscription liabilities	67,342	-	67,342	-	-
Compensated absences	653,316	425,263	310,028	768,551	256,624
Net pension liability (LGRS)	5,936,609	-	143,205	5,793,404	-
Net OPEB liability	5,462,254	-	73,971	5,388,283	-
Subtotal Convention Center Complex	176,823,113	160,109,232	165,364,810	171,567,535	14,423,890
<i>Mass Transit:</i>					
Lease liabilities	11,333	53,825	13,457	51,701	15,354
Compensated absences	164,019	113,121	123,765	153,375	110,358
Net pension liability (LGRS)	934,285	-	27,942	906,343	-
Net OPEB liability	1,102,273	-	14,434	1,087,839	-
Subtotal Transit	2,211,910	166,946	179,598	2,199,258	125,712
<i>Stormwater:</i>					
State revolving loans	1,017,376	-	101,738	915,638	101,738
Lease liabilities	157,201	55,135	69,363	142,973	63,762
Compensated absences	903,657	658,490	636,337	925,810	562,470
Net pension liability (LGRS)	6,069,374	-	173,474	5,895,900	-
Net OPEB liability	5,745,748	-	89,607	5,656,141	-
Subtotal Stormwater	13,893,356	713,625	1,070,519	13,536,462	727,970
<i>Parking:</i>					
Installment financing agreements	41,884,272	11,820,000	17,398,276	36,305,996	3,328,193
Unamortized premiums - IFA	1,975,085	1,306,826	1,716,822	1,565,089	227,143
Lease liabilities	348,418	8,283	74,388	282,313	73,647
IT subscription liabilities	642,378	56,470	109,592	589,256	111,217
Compensated absences	166,144	129,959	129,498	166,605	115,917
Net pension liability (LGRS)	1,874,445	-	44,242	1,830,203	-
Net OPEB liability	1,971,045	-	22,853	1,948,192	-
Subtotal Parking	48,861,787	13,321,538	19,495,671	42,687,654	3,856,117
<i>Solid Waste Services:</i>					
Installment financing agreements	5,891,881	-	808,162	5,083,719	832,267
Unamortized premiums - IFA	1,195,374	-	125,276	1,070,098	125,275
Lease liabilities	76,355	129,780	59,047	147,088	42,913
Compensated absences	1,018,672	726,849	794,740	950,781	711,471
Landfill postclosure	3,533,172	917,572	-	4,450,744	826,256
Net pension liability (LGRS)	10,251,383	-	242,165	10,009,218	-
Net OPEB liability	10,593,948	-	125,089	10,468,859	-
Subtotal Solid Waste Services	32,560,785	1,774,201	2,154,479	32,180,507	2,538,182
<i>Internal Service Funds:</i>					
Installment financing agreements	22,160,498	14,839,494	7,567,780	29,432,212	10,475,942
Total business-type activities	\$ 1,282,375,627	\$ 290,351,381	\$ 246,732,795	\$ 1,325,994,214	\$ 259,069,250

G. Restricted assets

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

Governmental	Deposits	Unspent Debt Proceeds
Nonmajor governmental funds	7,425,406	19,347,839
Total governmental	7,425,406	19,347,839
Enterprise		
Water and sewer fund	12,488,278	-
Convention center fund	1,758,965	-
Mass transit fund	50,305	-
Stormwater fund	27,797,714	-
Total enterprise	42,095,262	-
Internal service funds		
Governmental equipment replacement fund	-	34,237,632
Public utilities equipment replacement fund	-	6,897,993
Solid waste services equipment replacement fund	-	3,848,184
Total internal service fund	-	44,983,809
Total	\$ 49,520,668	\$ 64,331,648

Note 4. Other Information

A. Risk management and employees' health benefits

The City is exposed to various risks related to general liability, vehicle liability, property loss, cyber threats, employee injuries, errors and omissions, natural disasters, and medical and dental claims for employees, retirees, and dependents, among other risks.

To mitigate potential losses, the City utilizes a combination of self-insurance programs and private commercial insurance coverage for both primary and excess protection. The City may experience changes to the insurance portfolio from year-to-year due to factors such as changes in exposures, market conditions, and the broader loss environment experienced throughout the country.

The City maintains the following self-insured retention on insurance policies: \$1,000,000 per occurrence for automobile and general liability, which includes law enforcement liability; \$1,100,000 for workers' compensation for general employees and \$1,500,000 for workers' compensation for police and fire. Additional policies include property, automobile and general liability excess coverage, workers' compensation excess, terrorism, fine arts, cyber liability, professional liability for the Employee Health Center, crime and employee theft, fiduciary liability, and drone liability. Claims have not exceeded any commercial coverage for the last three years.

The City's coverage limits, including retentions and deductibles, as of June 30, 2025, are as follows:

Line of Coverage	Retention	Limit
Property	\$ 100,000	\$ 500,000,000
Terrorism	100,000	100,000,000
Fine Arts	2,500	7,412,116
Excess Liability	1,000,000	10,000,000
Excess Workers' Compensation		
General Employees	1,000,000	Statutory
Police & Fire	1,500,000	Statutory
Cyber Liability	500,000	10,000,000
Crime	25,000	2,000,000
Professional Healthcare Liability	2,500	1,000,000
Fiduciary Liability	35,000	5,000,000
Drone Liability	n/a	1,000,000

In accordance with NC General Statute 159-29, the City's employees that have access at any given time to \$100 or more of the City's funds are performance bonded through a commercial surety bond or blanket bond. The City maintains a Public Official Bond on the Chief Financial Officer (CFO) in the amount of \$1,000,000.

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

The City 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 \$25,399,184 reported for these two internal service funds as of June 30, 2025, 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 2024-25 and 2023-24 are as follows:

	2025	2024
Insurance claims payable, beginning of year	\$ 24,113,195	\$ 24,613,396
Current year claims and changes in estimates	58,342,544	52,949,235
Claim payments	(57,056,555)	(53,449,436)
Insurance claims payable, end of year	<u>\$ 25,399,184</u>	<u>\$ 24,113,195</u>

Employees' health benefits and risk management current portion of pending claims is \$11,032,628.

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 2024-2025 obligation was \$1,085,692. It is estimated, at this time, that the future cost to the City will not exceed \$1,300,000 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 2024-2025 obligation for the reallocation was \$1,358,187. It is estimated, at this time, that the future cost to the City will not exceed \$1,500,000 annually and will be repaid in 2048.

Contingent Liabilities. Amounts received or receivable from grant agencies are subject to audit and other adjustments 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 as of June 30, 2025 was \$4,593,230. 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. 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.

Central Pines Regional Council formerly 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 \$167,280 to the council during the fiscal year ended June 30, 2025. 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, 2025 the City paid \$56,645 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 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 countywide 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.

As of June 30, 2025 the balance of the fund maintained by the County was \$7,900,378, which is not available to the City except for current and future projects jointly determined by the City and the County. The City annually receives 85% of all uncommitted interlocal tax funds for debt service and other costs related to the convention center facility. During fiscal year 2024-25, the City received funding as follows: \$1,000,000 that the City Council dedicated for continuing support of the performing arts and convention center complex; \$680,000 to fund visitor-related programs and activities and \$48,691,542 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.

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 \$35,646,709 in interlocal funding from GoTriangle for fiscal year 2025 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, 2025. 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 as of June 30, 2025. 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, pension plans and OPEB plan

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 Annual Comprehensive Financial Report (ACFR) for the State of North Carolina. The State's ACFR 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 North Carolina 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, 2025, was 15.04% of compensation for law enforcement officers and 13.60% 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 \$45,778,863 for the year ended June 30, 2025.

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. As of June 30, 2025, the City reported a liability of \$210,194,078 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2023. The total pension liability was then rolled forward to the measurement date of June 30, 2024 utilizing updated 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, 2024 the City's proportion was 3.12%, which was a decrease of 0.14% from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the City recognized pension expense of \$58,096,849. At June 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 36,833,962	\$ 247,657
Changes in assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	28,575,761	-
Changes in proportion and differences between City contributions and proportionate share of contributions	-	8,233,839
City contributions subsequent to the measurement date	45,778,863	-
Total	<u>\$ 111,188,586</u>	<u>\$ 8,481,496</u>

City contributions of \$45,778,863, subsequent to the measurement date, were reported as deferred outflows of resources related to pensions and will be recognized as a decrease of the net pension liability in the year ended June 30, 2026.

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

<u>Fiscal Year Ending June 30</u>	<u>Pension deferrals</u>
2026	\$ 16,212,721
2027	38,392,778
2028	5,553,833
2029	<u>(3,231,105)</u>
	<u>\$ 56,928,227</u>

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

Assumption Type	Parameter
Inflation	2.38 percent
Salary increases	3.25 to 8.25 percent, including inflation and
Investment rate of return	6.50 percent, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the December 31, 2023 valuation were based on the results of an actuarial experience study prepared as of December 31, 2019.

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, 2024 are summarized in the following table:

Asset Class	Target Allocation	Expected Real Rate of Return
Fixed Income	33.00%	2.40%
Global equity	38.00%	6.90%
Real estate	8.00%	6.00%
Alternatives	8.00%	8.60%
Opportunistic Fixed Income	7.00%	5.30%
Inflation protection	6.00%	4.30%
	100.00%	

The information above is based on 30-year expectations developed with the consulting actuary for the 2023 asset liability and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 2.38%. All rates of return and inflation are annualized.

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

Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

	1 % Decrease (5.50%)	Discount Rate (6.50%)	1 % Increase (7.50%)
City's proportionate share of the net pension liability	\$ 372,470,059	\$ 210,194,078	\$ 76,699,764

Pension Plan Fiduciary Net Position. Detailed information about the pension plan's fiduciary net position is available in the separately issued Annual Comprehensive Financial Report 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, 2025 were \$5,935,488, which consisted of \$3,055,781 from the City and \$2,879,707 from the law enforcement officers.

Law Enforcement Officers' Special Separation Allowance (LEOSSA)

Plan Description. The City is the administrator of a single-employer, defined benefit, retirement system (the "separation allowance"); established by the City to provide special separation benefits to its qualified sworn law enforcement offices, as required by state law. 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. Payments to retired officers cease at their death or on the last day of the month in which the officer attains 62 years of age or upon the first day of reemployment by any State department, agency, or institution.

Article 12D of G.S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The retirement benefits are not subject to any increases in salary or retirement allowances that may be authorized by the General Assembly.

The separation allowance has a June 30, 2025 year end and does not issue a separate stand-alone financial report and is included in the City's Annual Comprehensive Financial Report as a LEOSSA Pension Benefit Trust Fund.

All full-time sworn City law enforcement officers are covered by the separation allowance. At December 31, 2023, the date of the latest actuarial valuation, the separation allowance's membership consisted of:

Retirees currently receiving benefits	197
Active plan members	655
Total membership	852

Summary of significant accounting policies:

Basis of Accounting. Financial statements for the LEOSA Pension Benefit Trust Fund 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.

The City's separation allowance assets are maintained in a formal trust that meets GASB 68 requirements. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expenses, information about the fiduciary net position of the Separation Allowance and additions to/deductions from the Separation Allowance's fiduciary net position have been determined on the same basis as they are reported by the LEOSA Pension Benefit Trust Fund, that is, using the full accrual basis of accounting. Employer contributions to the Separation Allowance are recognized when due and when the City has made a formal commitment to provide the contributions. Benefits are recognized when due and payable in accordance with the terms of the Separation Allowance. Investments are reported at fair value.

Actuarial Assumptions. The entry age actuarial cost method, amortized on a level dollar closed period was used in the December 31, 2023 valuation. The total pension liability rolled forward to December 31, 2024 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%
Investment rate of return, net of pension plan investment expense, including inflation	5.50%

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.

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. The actuarial value of assets were determined using the market value of investments. The remaining amortization period at December 31, 2022 was 13 years.

The investment rate of return on LEOSA 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 LEOSA investment portfolio and agrees that the long-term expected rate of return of 5.50% is reasonable.

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 \$13,285,742 or 24.24% 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. The City paid \$5,489,700 as benefits came due for the reporting period. Administrative costs of the Separation Allowance plan are financed through investment earnings.

Investment Policy: The LEOSSA Plan's investment policy in regard to the allocation of invested assets has been established and may be amended by the City. 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.

As of June 30, 2025 the City's LEOSSA Trust had \$18,009,200 invested in the Ancillary Governmental Participant Investment Program (AGPIP) established by the NC Department of State Treasurer (NCDST), pursuant to G.S. 159-30.1. The AGPIP Program may invest in public equities and both long-term and short-term fixed income obligations as determined by the State Treasurer pursuant to the General Statutes. At year-end, the City's LEOSSA Trust was invested as follows: Short Term Investment Fund (STIF) 0.06%, which is reported as cash and cash equivalents; Bond Index Fund (BIF) 33.27% and Equity Index Fund (EIF) 66.68% (the equities were split with 64.07% in domestic securities and 35.93% in international securities). The following were the asset target ranges for each major asset class as of June 30, 2025 under the LEOSSA's Plan investment policy:

Asset Class	Target Allocation
Fixed Income (Bonds)	35.00%
Equity Index Fund (Stocks)	65.00%
	<u>100.00%</u>
Long-term expected real rate of return	5.50%

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. As of June 30, 2025, the City reported a net pension liability of \$52,125,281. The net pension liability was measured as of December 31, 2024 based on a December 31, 2023 actuarial valuation. The net pension liability was rolled forward to December 31, 2024 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2025, the City recognized pension expense of \$6,525,541.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 5,909,207	\$ -
Changes in assumptions	2,141,605	7,960,495
Net difference between projected and actual earnings on pension plan investments	-	216,514
City contributions subsequent to the measurement date	3,255,320	-
Total	\$ 11,306,132	\$ 8,177,009

The \$3,255,320 reported as deferred outflows of resources related to pensions resulting from employer contributions made subsequent to the measurement date will be recognized as a decrease of the total pension liability in the year ended June 30, 2026.

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

Fiscal Year Ending June 30	Pension deferrals
2026	\$ 1,280,690
2027	(1,395,872)
2028	(611,246)
2029	506,980
2030	93,251
Thereafter	-
	\$ (126,197)

Discount Rate The discount rate used to measure the total pension liability was 5.50%. The projection of cash flows used to determine the discount rate which assumed contributions from employers will be made at actuarially determined rates each year. Based upon the 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 of 5.50% was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's Net Pension Liability to Changes in the Discount Rate. The following presents the City's total pension liability calculated using the discount rate of 5.50%, 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 (4.50%) or one-percentage-point higher (6.50%) than the current rate:

	1% Decrease 4.50%	Discount Rate 5.50%	1% Increase 6.50%
Total Pension Liability	\$ 56,314,533	\$ 52,125,281	\$ 48,282,104

	Total LEOSSA Liability	Plan Net Position	Net LEOSSA Liability
Balances at December 31, 2023	\$ 58,592,159	8,300,555	\$ 50,291,604
Changes for the year:			
Service cost	1,324,387		1,324,387
Interest	3,077,783		3,077,783
Difference between:			
Expected and actual experience	3,423,626		3,423,626
Change in assumptions and other inputs	-		-
Contributions - employer		5,264,945	(5,264,945)
Net investment income		727,174	(727,174)
Benefit payments	(5,264,945)	(5,264,945)	-
Net changes	2,560,851	727,174	1,833,677
Balance as of December 31, 2024	\$ 61,153,010	\$ 9,027,729	\$ 52,125,281

Other Post-Employment Benefits (OPEB) Plan

Plan Description:

Plan Administration. The City administers a single employer defined benefit 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 the 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 the 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, 2024 (valuation date), the OPEB Benefit Plan membership consisted of:

Inactive plan members or beneficiaries currently receiving benefit payments	2,493
Inactive plan members entitled to by not yet receiving benefit payments	-
Active plan members	3,954
Total membership	6,447

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 \$25,629,980 or 9.46% of the annual covered payroll. Contributions made by retirees for dependent coverage and Medicare supplement premiums were \$3,375,836. 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 division 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.

As of June 30, 2025 the City's OPEB Benefit Plan had \$104,567,790 invested in the Ancillary Governmental Participant Investment Program (AGPIP) established by the NC Department of State Treasurer (NCDST), pursuant to G.S. 159-30.1. The AGPIP Program may invest in public equities and both long-term and short-term fixed income obligations as determined by the State Treasurer pursuant to the General Statutes. At year-end, the City's OPEB Benefit Plan was invested as follows: Short Term Investment Fund (STIF) 7.05%, which is reported as cash and cash equivalents; Bond Index Fund (BIF) 27.62% and Equity Index Fund (EIF) 65.33% (the equities were split with 64.07% in domestic securities and 35.93% in international securities).

The following was the asset target ranges for each major asset class and other investment restrictions as of June 30, 2025 under the OPEB Benefit Plan's investment policy:

Asset Class	Target Allocation
Fixed Income (Bonds)	30.00%
Equity Index Fund (Stocks)	65.00%
Short Term Investments (Cash Equiv)	5.00%
	100.00%

Long-term expected real rate of return 7.00%

Rate of Return. For the year ended June 30, 2025, the annual money weighted rate of return on investments, net of investment expense was 11.68%. 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, 2025 were as follows:

Total OPEB liability	\$ 315,051,621
Plan fiduciary net position	104,109,614
Net OPEB liability	\$ 210,942,007

Plan fiduciary net position as a percentage of the total OPEB liability 33.05%

Actuarial Assumptions. The total OPEB liability was determined by an actuarial valuation as of June 30, 2024 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 2024

*decreasing to an ultimate rate of 4.50% by 2034

Mortality rates were based on the Pub-2010 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, 2024 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, 2024 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, 2025 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, 2024. In addition to the actuarial methods and assumptions of the June 30, 2024 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 using the payroll growth assumptions 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. The employer is assumed to have the ability and willingness to make benefit payments from its own resources for all periods in the projection.
- 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, 2025, 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	\$ 238,600,487	\$ 210,942,007	\$ 186,419,716

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, 2025, 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%	Healthcare Cost Trend Rate 7.00%	1% Increase 8.00%
Net OPEB Liability	\$ 184,114,438	\$ 210,942,007	\$ 241,800,455

Changes in Net OPEB Liability, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB. As of June 30, 2025, the City reported a net OPEB liability of \$210,942,007. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2024. The total pension liability was then rolled forward to the measurement date of June 30, 2025 utilizing updated procedures incorporating the actuarial assumptions.

At June 30, 2025, the components of the City's net OPEB liability were as follows:

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at June 30, 2024	\$ 296,674,578	\$ 82,970,992	\$ 213,703,586
Changes for the year:			
Service cost	6,317,003	-	6,317,003
Interest	20,194,107	-	20,194,107
Change in benefit terms	-	-	-
Differences between:			
Expected and actual experience	(3,311,820)	-	(3,311,820)
Changes of assumptions	11,834,144	-	11,834,144
Contributions - employer	-	25,629,980	(25,629,980)
Net investment income	-	12,214,750	(12,214,750)
Benefit payments	(16,656,391)	(16,656,391)	-
Plan administrative expenses	-	(49,717)	49,717
Net changes	18,377,043	21,138,622	(2,761,579)
Balances at June 30, 2025	\$ 315,051,621	\$ 104,109,614	\$ 210,942,007

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, 2024 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 increased from 3.93% on the prior measurement to 5.20% respectively at June 30, 2024. Medical claims cost and rates were changed based on most recent experience and change to the current schedule. The health care cost trend rate is 7.00% for 2024 decreasing to an ultimate rate of 4.50% by 2034.

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

For the year ended June 30, 2025, the City recognized OPEB expense of \$20,591,182. At June 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between:		
Expected and actual experience	\$ 7,315,316	\$ 2,733,841
Changes of assumptions	14,540,058	-
Difference between projected and actual earnings on plan investments, net	-	5,456,384
Total	\$ 21,855,374	\$ 8,190,225

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:	
2026	\$ 7,447,111
2027	2,810,933
2028	1,882,471
2029	438,895
2030	1,085,739
	\$ 13,665,149

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 Ascensus is the trustee and record keeper with investment options being exercised by employees.

Funding Policy. Regular full-time employees receive a City contribution of 3% of their annual salary, with no matching contribution required. During fiscal year 2024-25, the City contributed \$7,125,999 to the plan.

At June 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	LGERS	LEOSSA	OPEB
Pension/OPEB Expense	\$ 58,096,849	\$ 6,525,541	\$ 20,591,182
Pension/OPEB Liability	210,194,078	52,125,281	210,942,007
Proportionate share of the net pension liability	3.11793%	N/A	N/A
Deferred Outflows of Resources			
Differences between expected and actual experience	\$ 36,833,962	\$ 5,909,207	\$ 7,315,316
Changes of assumptions	-	2,141,605	14,540,058
Difference between projected and actual earnings on pension plan investments	28,575,761	-	-
City contributions (LGERS)/benefit payments and administration costs (LEOSSA, OPEB) subsequent to the measurement date	45,778,863	-	-
Deferred Inflows of Resources			
Differences between expected and actual experience	\$ 247,657	\$ -	\$ 2,733,841
Changes of assumptions	-	7,960,495	-
Difference between projected and actual earnings on plan investments, net	-	216,514	5,456,384
Changes in proportion and differences between City contributions and proportionate share of contributions	8,233,839	-	-

E. Change in accounting principles / Correction of Error

The Governmental Accounting Standards Board (GASB) has issued pronouncements which are effective as of the fiscal year ended June 30, 2025.

During the fiscal year, the City implemented Statement No. 101, "Compensated Absences." Management has determined that the impacts of this Statement did have a material effect on the City and restated \$2,779,615 as of July 1, 2024.

Beginning net position and fund balance, as applicable, have been restated by \$5,634,932 to correct a timing difference associated with federal grant revenue recognition. The City's practice surrounding federal grants was to recognize revenue after expenditures were incurred for projects with pre-award spending authority. This change ensures the city complies with generally accepted accounting principles which indicate federal grant revenue should be recognized after all eligibility requirements have been met following the federal grant award.

	July 1, 2024 as previously reported	Change in accounting principle - compensated absences	Correction of error - pre-award revenue	July 1, 2024 as restated
Net position: Government-wide statements				
Governmental activities	\$ 1,619,558,074	\$ (2,779,615)	\$ (5,634,932)	\$ 1,611,143,527
Business-type activities	2,277,564,978	-	-	2,277,564,978
Total primary government	\$ 3,897,123,052	\$ (2,779,615)	\$ (5,634,932)	\$ 3,888,708,505
Fund balance: Governmental funds				
General fund	\$ 544,093,463	\$ -	\$ -	\$ 544,093,463
Nonmajor governmental funds	428,983,850	-	(5,634,932)	423,348,918
Total primary government	\$ 973,077,313	\$ -	\$ (5,634,932)	\$ 967,442,381

During the fiscal year, the City implemented Statement No. 102, "Certain Risk Disclosures." The implementation did not have a material effect on the City's financial statements.

F. New pronouncements

The GASB has issued pronouncements prior to June 30, 2025, 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. 103, "Financial Reporting Model Improvements." The requirements of this Statement will take effect starting with the fiscal year that ends June 30, 2026.

GASB Statement No. 104, "Disclosure of Certain Capital Assets." The requirements of this Statement will take effect starting with the fiscal year that ends June 30, 2026.

G. Subsequent events

As referenced in the Notes to the Financial Statements (3.F.3), the City completed a limited obligation bond issuance in October 2025. Refer to the referenced note for more information.

The City has evaluated events through October xx, 2025, in connection with the preparation of these financial statements, which is the date the financials were available to be issued.

Required Supplementary Information

Schedule of Changes in the Net OPEB Liability and Related Ratios Required Supplementary Information Last Nine Fiscal Years OPEB Benefits Plan

	2025	2024	2023	2022	2021
Total OPEB Liability					
Service Cost	\$ 6,317,003	\$ 6,118,163	\$ 5,975,402	\$ 5,787,313	\$ 6,359,717
Interest	20,194,107	19,573,951	18,110,668	17,613,375	16,431,054
Changes of benefits terms	-	-	-	-	-
Differences between expected and actual experience	(3,311,820)	1,217,382	7,431,520	2,229,569	8,106,917
Changes of assumptions	11,834,144	-	8,727,834	-	2,660,475
Benefit payments*	(16,656,391)	(19,397,496)	(19,287,138)	(17,790,335)	(15,582,717)
Net change in total OPEB liability	18,377,043	7,512,000	20,958,286	7,839,922	17,975,446
Total OPEB liability - beginning	296,674,578	289,162,578	268,204,292	260,364,370	242,388,924
Total OPEB liability - ending	\$ 315,051,621	\$ 296,674,578	\$ 289,162,578	\$ 268,204,292	\$ 260,364,370
Plan fiduciary net position					
Contributions - employer	\$ 25,629,980	\$ 22,242,763	\$ 21,160,346	\$ 19,742,031	\$ 19,662,858
Net investment income (loss)	12,214,750	9,869,763	5,976,499	(9,745,446)	14,926,938
Benefit payments*	(16,656,391)	(19,397,496)	(19,287,138)	(17,790,335)	(15,582,717)
Administrative expense	(49,717)	(78,957)	(85,751)	(65,559)	(64,871)
Net change in plan fiduciary net position	21,138,622	12,636,073	7,763,956	(7,859,309)	18,942,208
Plan fiduciary net position - beginning	82,970,992	70,334,919	62,570,963	70,430,272	51,488,064
Plan fiduciary net position - ending	\$ 104,109,614	\$ 82,970,992	\$ 70,334,919	\$ 62,570,963	\$ 70,430,272
City's net OPEB liability - ending	\$ 210,942,007	\$ 213,703,586	\$ 218,827,659	\$ 205,633,329	\$ 189,934,098
Plan fiduciary net position as a percentage of the total OPEB liability	33.05%	27.97%	24.32%	23.33%	27.05%
Covered payroll	\$ 270,897,804	\$ 237,503,522	\$ 237,503,522	\$ 243,880,708	\$ 243,880,708
City's net OPEB liability as a percentage of covered payroll	77.87%	89.98%	92.14%	84.32%	77.88%

*Benefit payments are net of participant contributions

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

Schedule of Changes in the Net OPEB Liability and Related Ratios
Required Supplementary Information
Last Nine Fiscal Years
OPEB Benefits Plan

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

Schedule of Employer Contributions Required Supplementary Information Last Ten Fiscal Years OPEB Benefits Plan

	2025	2024	2023	2022	2021
Actuarially determined contribution	\$ 23,044,674	\$ 20,152,710	\$ 20,152,710	\$ 17,877,136	\$ 17,877,136
Contributions in relation to the actuarially determined contribution	25,629,980	22,242,763	21,160,346	19,742,031	19,662,858
Contribution deficiency (excess)	\$ (2,585,306)	\$ (2,090,053)	\$ (1,007,636)	\$ (1,864,895)	\$ (1,785,722)
Covered payroll	\$ 270,897,804	\$ 237,503,522	\$ 237,503,522	\$ 243,880,708	\$ 243,880,708
Contributions as a percentage of covered payroll	9.46%	9.37%	8.91%	8.09%	8.06%

Notes to schedule

Valuation Date: 6/30/2024

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	15 years
Asset valuation method	Market value of assets
Inflation	2.50%
Healthcare cost trend rates	7.00% for 2024 decreasing to an ultimate rate of 4.50% by 2034
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.

**Schedule of Employer Contributions
Required Supplementary Information
Last Ten Fiscal Years
OPEB Benefits Plan**

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

**Schedule of Investment Returns
Required Supplementary Information
Last Nine Fiscal Years
OPEB Benefits Plan**

	2025	2024	2023	2022	2021	2020	2019	2018	2017
Annual money-weighted rate of return, net of investment expense	11.68%	11.80%	8.38%	-15.68%	21.10%	5.83%	5.56%	6.85%	10.78%

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

**Proportionate Share of Net Pension Liability
Required Supplementary Information
Last Ten Fiscal Years*
Local Government Employees' Retirement System**

	2025	2024	2023	2022	2021
Raleigh's proportion of the net pension liability	3.11793%	3.25438%	3.48460%	3.65305%	3.76712%
Raleigh's proportion of the net pension liability	\$ 210,194,078	\$ 215,540,351	\$ 196,581,202	\$ 56,023,029	\$ 134,615,246
Raleigh's covered payroll	\$ 288,163,762	\$ 273,243,720	\$ 259,136,863	\$ 258,415,966	\$ 258,413,079
Raleigh's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	72.94%	78.88%	75.86%	21.62%	52.09%
Plan fiduciary net position as a percentage of the total pension liability**	83.30%	82.49%	84.14%	95.51%	88.61%
	2020	2019	2018	2017	2016
Raleigh's proportion of the net pension liability	3.87861%	3.86529%	3.71006%	3.82340%	3.75642%
Raleigh's proportion of the net pension liability	\$ 105,921,814	\$ 91,697,898	\$ 56,679,440	\$ 81,145,356	\$ 16,858,648
Raleigh's covered payroll	\$ 248,029,917	\$ 240,754,795	\$ 230,212,405	\$ 210,212,491	\$ 202,649,654
Raleigh's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	42.71%	38.09%	24.62%	38.60%	8.32%
Plan fiduciary net position as a percentage of the total pension liability**	90.86%	91.63%	94.18%	91.47%	98.09%

* 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.

Contributions
Required Supplementary Information
Last Ten Fiscal Years
Local Government Employees' Retirement System

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Contractually required contribution	\$ 45,778,863	\$ 38,087,991	\$ 34,253,536	\$ 30,151,927	\$ 26,995,729
Contributions in relation to the contractually required contribution	45,778,863	38,087,991	34,253,536	30,151,927	26,995,729
Contribution deficiency (excess)	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
Raleigh's covered payroll	\$ 321,865,101	\$ 288,163,762	\$ 273,243,720	\$ 259,136,863	\$ 258,415,966
Contributions as a percentage of covered payroll	14.22%	13.22%	12.54%	11.64%	10.45%

Contributions
Required Supplementary Information
Last Ten Fiscal Years
Local Government Employees' Retirement System

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

**Schedule of Changes in Net Pension Liability and Related Ratios
Required Supplementary Information
Last Nine Fiscal Years
Law Enforcement Officers' Special Separation Allowance**

	2025	2024	2023	2022	2021
Total LEOSSA Liability*:					
Service Cost	\$ 1,324,387	\$ 1,567,549	\$ 2,372,340	\$ 2,716,402	\$ 1,622,424
Interest on the total pension liability	3,077,783	2,600,760	1,590,753	1,294,167	1,615,343
Difference between expected and actual experience	3,423,626	1,692,620	550,800	5,953,446	1,605,202
Change in assumptions and other inputs	-	(5,077,788)	(9,979,722)	(1,777,715)	16,810,150
Benefit payments	(5,264,945)	(5,066,889)	(4,716,773)	(4,366,132)	(3,930,330)
Net change in total LEOSSA liability	\$ 2,560,851	\$ (4,283,748)	\$ (10,182,602)	\$ 3,820,168	\$ 17,722,789
Total LEOSSA liability - beginning	58,592,159	62,875,907	73,058,509	69,238,341	51,515,552
Total LEOSSA liability - ending	\$ 61,153,010	\$ 58,592,159	\$ 62,875,907	\$ 73,058,509	\$ 69,238,341
Plan fiduciary net position					
Contributions - employer	\$ 5,264,945	\$ 13,367,444	\$ 4,716,773	\$ 4,366,132	\$ 3,930,330
Net investment income (loss)	727,174	-	-	-	-
Benefit payments**	(5,264,945)	(5,066,889)	(4,716,773)	(4,366,132)	(3,930,330)
Administrative expense	-	-	-	-	-
Net change in plan fiduciary net position	\$ 727,174	\$ 8,300,555	\$ -	\$ -	\$ -
Plan fiduciary net position - beginning	8,300,555	-	-	-	-
Plan fiduciary net position - ending	9,027,729	8,300,555	-	-	-
City's net LEOSSA liability - ending	\$ 52,125,281	\$ 50,291,604	\$ 62,875,907	\$ 73,058,509	\$ 69,238,341
Plan fiduciary net position as a percentage of the total LEOSSA liability	14.76%	14.17%	0.00%	0.00%	0.00%
Covered payroll***	\$ 54,815,008	\$ 51,507,622	\$ 51,939,958	\$ 56,156,941	\$ 53,414,221
City's net LEOSSA liability as a percentage of covered payroll	95.09%	97.64%	121.05%	130.10%	129.63%

*The Law Enforcement Officer's Special Separation Allowance became a defined trust, beginning in 2024 and employer contributions are larger than prior years. As a result, information reported in 2024 may not be comparable to prior years.

**Benefit payments are net of participant contributions

***Valuation Payroll

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

**Schedule of Changes in Net Pension Liability and Related Ratios
Required Supplementary Information
Last Nine Fiscal Years
Law Enforcement Officers' Special Separation Allowance**

	2020	2019	2018	2017
Total LEOSSA Liability*:				
Service Cost	\$ 1,491,697	\$ 1,520,495	\$ 1,230,644	\$ 1,367,308
Interest on the total pension liability	1,642,038	1,378,023	1,544,969	1,481,526
Difference between expected and actual experience	3,712,191	3,966,358	2,049,262	-
Change in assumptions and other inputs	1,409,124	(1,679,990)	2,344,123	(938,656)
Benefit payments	(3,700,846)	(3,663,719)	(3,507,847)	(3,260,936)
Net change in total LEOSSA liability	\$ 4,554,204	\$ 1,521,167	\$ 3,661,151	\$ (1,350,758)
Total LEOSSA liability - beginning	46,961,348	45,440,181	41,779,030	43,129,788
Total LEOSSA liability - ending	<u>\$ 51,515,552</u>	<u>\$ 46,961,348</u>	<u>\$ 45,440,181</u>	<u>\$ 41,779,030</u>
Plan fiduciary net position				
Contributions - employer	\$ 3,700,846	\$ 3,663,719	\$ 3,507,847	\$ 3,260,936
Net investment income (loss)	-	-	-	-
Benefit payments**	(3,700,846)	(3,663,719)	(3,507,847)	(3,260,936)
Administrative expense	-	-	-	-
Net change in plan fiduciary net position	\$ -	\$ -	\$ -	\$ -
Plan fiduciary net position - beginning	-	-	-	-
Plan fiduciary net position - ending	-	-	-	-
City's net LEOSSA liability - ending	<u>\$ 51,515,552</u>	<u>\$ 46,961,348</u>	<u>\$ 45,440,181</u>	<u>\$ 41,779,030</u>
Plan fiduciary net position as a percentage of the total LEOSSA liability	0.00%	0.00%	0.00%	0.00%
Covered payroll***	\$ 53,106,703	\$ 49,859,872	\$ 46,317,598	\$ 48,708,066
City's net LEOSSA liability as a percentage of covered payroll	97.00%	94.19%	98.11%	85.77%

**Schedule of Net Pension Liability as a Percentage of Covered Payroll
Required Supplementary Information
Last Nine Fiscal Years
Law Enforcement Officers' Special Separation Allowance**

	2025	2024	2023	2022	2021
Net pension liability*	\$ 52,125,281	\$ 50,291,604	\$ 62,875,907	\$ 73,058,509	\$ 69,238,341
Raleigh's covered payroll**	54,815,008	51,507,622	51,939,958	56,146,941	53,414,221
Net pension liability as a percentage of covered-employee payroll	95.09%	97.64%	121.05%	130.12%	129.63%
Actuarially determined employer contribution	7,420,262	7,051,692	-	-	-
Actual employer contributions	13,285,742	12,673,184	-	-	-
Contribution deficiency (excess)	<u>\$ (5,865,480)</u>	<u>\$ (5,621,492)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Contributions as a percentage of covered payroll	24.24%	24.60%	0.00%	0.00%	0.00%

Notes to schedule

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. The following actuarial methods and assumptions were used to determine the contribution rate for fiscal year 2025:

Valuation date	12/31/2023
Actuarial cost method	Entry Age Normal
Amortization method	Level dollar closed
Amortization period	12 years
Asset valuation method	Market value
Inflation	2.50%
Salary increases	3.25-7.75%
Investment rate of return	5.50%

*The Law Enforcement Officer's Special Separation Allowance became a defined trust, beginning in 2024 and employer contributions are larger than prior years. As a result, information reported in 2024 may not be comparable to prior years.

**Valuation Payroll

Schedule of Net Pension Liability as a Percentage of Covered Payroll
Required Supplementary Information
Last Nine Fiscal Years
Law Enforcement Officers' Special Separation Allowance

	2020	2019	2018	2017
Net pension liability*	\$ 51,515,552	\$ 46,961,348	\$ 45,440,181	\$ 41,779,030
Raleigh's covered payroll**	53,106,703	49,859,872	46,317,598	48,708,066
Net pension liability as a percentage of covered-employee payroll	97.00%	94.19%	98.11%	85.77%
Actuarially determined employer contribution	-	-	-	-
Actual employer contributions	-	-	-	-
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%

Schedule of Investment Returns
Required Supplementary Information
Last Ten Fiscal Years
Law Enforcement Officers' Special Separation Allowance

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Annual money-weighted rate of return, net of investment expense*	8.05%	8.15%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

*The Law Enforcement Officer's Special Separation Allowance became a defined trust, beginning in 2024.
Information is not required to be presented retroactively. Data for years prior to those presented is unavailable.

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



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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, 2025

	Special Revenue Funds	Capital Project Funds	Total Nonmajor Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 134,195,841	\$ 264,482,074	\$ 398,677,915
Assessments receivable, net of allowance for uncollectibles of \$85,587	-	109,138	109,138
Franchise taxes receivable	-	18,750	18,750
Other receivables and assets	2,896	3,287	6,183
Due from other governmental agencies	11,175,205	5,310,995	16,486,200
Accrued interest receivable	679,069	-	679,069
Sales tax receivable	151,921	1,565,477	1,717,398
Due from other funds	389,921	2,134,809	2,524,730
Loans receivable, net of allowance for uncollectibles of \$15,363,051	78,242,142	-	78,242,142
Cash and cash equivalents/investments - restricted deposits and bond proceeds	4,070,311	22,702,934	26,773,245
Total assets	\$ 228,907,306	\$ 296,327,464	\$ 525,234,770
LIABILITIES			
Accounts payable	\$ 6,624,607	\$ 28,475,938	\$ 35,100,545
Accrued salaries and employee payroll taxes	1,432	-	1,432
Sales tax payable	393	-	393
Loan servicing escrow	535,861	-	535,861
Due to other funds	9,762,632	3,621	9,766,253
Reimbursable facility fees	-	14,438,781	14,438,781
Unearned revenue	1,460,907	60,860	1,521,767
Prepaid assessments	-	13,699	13,699
Escrow and other deposits payable from restricted assets	-	3,355,095	3,355,095
Coronavirus State & Local Fiscal Recovery Fund	4,070,311	-	4,070,311
Total liabilities	22,456,143	46,347,994	68,804,137
DEFERRED INFLOWS OF RESOURCES			
Unavailable assessments	-	109,138	109,138
Unavailable revenue	69,391	174,230	243,621
Total deferred inflows of resources	69,391	283,368	352,759
FUND BALANCES			
Nonspendable:			
Loans Receivable	78,242,142	-	78,242,142
Restricted:			
Restricted debt service	106,490,625	-	106,490,625
Unspent capital debt proceeds	-	18,107,458	18,107,458
Federal program reserves	1,221,105	-	1,221,105
Public safety	4,959,029	-	4,959,029
Assigned:			
Subsequent year's appropriation	756,521	-	756,521
City projects	-	231,588,644	231,588,644
Community development	22,705,758	-	22,705,758
Disaster recovery	1,431,441	-	1,431,441
Unassigned	(9,424,849)	-	(9,424,849)
Total fund balances	206,381,772	249,696,102	456,077,874
Total liabilities, deferred inflows of resources and fund balances	\$ 228,907,306	\$ 296,327,464	\$ 525,234,770

**Combining Statement of Revenues, Expenditures
And Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2025**

	Special Revenue Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
REVENUES			
Intergovernmental	\$ 70,377,034	\$ 2,594,619	\$ 72,971,653
Non-governmental grants	84,498	3,000,000	3,084,498
Assessments	-	429,427	429,427
Licenses	-	120,980	120,980
Gain (loss) on investments	5,261,068	778,638	6,039,706
Facility fees	-	12,302,756	12,302,756
Other fees and charges	-	5,631	5,631
Program income	503,989	-	503,989
Donations and contributions	-	683,316	683,316
Miscellaneous other	210,941	1,192	212,133
Total revenues	76,437,530	19,916,559	96,354,089
EXPENDITURES			
Current:			
General government	7,762,647	11,215,407	18,978,054
Community development services	2,984,686	401,243	3,385,929
Public infrastructure	12,169,797	111,409,182	123,578,979
Public safety	3,323,938	8,961,521	12,285,459
Leisure services	887,293	49,363,047	50,250,340
Economic development programs	19,308,808	-	19,308,808
Total expenditures	46,437,169	181,350,400	227,787,569
Excess (deficiency) of revenues over (under) expenditures	30,000,361	(161,433,841)	(131,433,480)
OTHER FINANCING SOURCES (USES)			
Transfers in	6,934,513	73,662,975	80,597,488
Transfers out	(38,980,807)	(7,869,835)	(46,850,642)
Issuance of debt	15,072,483	115,343,107	130,415,590
Total other financing sources (uses)	(16,973,811)	181,136,247	164,162,436
Net change in fund balances	13,026,550	19,702,406	32,728,956
Fund balances, beginning of year	198,990,154	229,993,696	428,983,850
Adjustment to restate the July 1, 2024 fund balance	(5,634,932)	-	(5,634,932)
Fund balances July 1, 2024 as restated	193,355,222	229,993,696	423,348,918
Fund balances, end of year	\$ 206,381,772	\$ 249,696,102	\$ 456,077,874



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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 state and local fiscal recovery fund (SLFRF), a disaster recovery fund, a convention center financing fund, and an emergency telephone system fund.



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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.

State and Local Fiscal Recovery fund (SLFRF) (nonmajor fund)

The State and Local Fiscal Recovery fund (SLFRF) accounts for United States Department of the Treasury direct grant proceeds to be spent for purposes authorized under applicable regulations, such as community assistance, small business and hospitality support, revenue replacement to maintain critical 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, 2025

	Grants Fund	Housing Bond Fund	Community Development Fund	State & Local Fiscal Recovery (SLFRF) Fund
ASSETS				
Cash and cash equivalents	\$ -	\$ 25,385,868	\$ 378,594	\$ 3,866,314
Other receivables and assets	2,896	-	-	-
Due from other governmental agencies	1,035,744	-	181,717	-
Accrued interest receivable	-	-	-	-
Sales tax receivable	36,773	11,079	57	44,502
Due from other funds	233,494	-	89,883	-
Loans receivable, net of allowance for uncollectibles of \$15,363,051	-	43,488,193	34,753,949	-
Cash and cash equivalents/investments - restricted deposits and bond proceeds	-	-	-	4,070,311
Total assets	\$ 1,308,907	\$ 68,885,140	\$ 35,404,200	\$ 7,981,127
LIABILITIES				
Accounts payable	\$ 2,513,138	\$ 1,310,634	\$ 98,895	\$ 593,440
Accrued salaries and employee payroll taxes	1,432	-	-	-
Sales tax payable	-	-	-	-
Loan servicing escrow	-	271,490	264,371	-
Due to other funds	6,942,902	352,544	32,971	2,096,271
Unearned revenue	1,276,284	-	184,623	-
Coronavirus State & Local Fiscal Recovery Fund	-	-	-	4,070,311
Total liabilities	10,733,756	1,934,668	580,860	6,760,022
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	-	-	69,391	-
Total deferred inflows of resources	-	-	69,391	-
FUND BALANCES				
Nonspendable:				
Loans receivable	-	43,488,193	34,753,949	-
Restricted:				
Restricted debt service	-	-	-	-
Federal program reserves	-	-	-	1,221,105
Public safety	-	-	-	-
Assigned:				
Subsequent year's appropriation	-	756,521	-	-
Community development	-	22,705,758	-	-
Disaster recovery	-	-	-	-
Unassigned	(9,424,849)	-	-	-
Total fund balances	(9,424,849)	66,950,472	34,753,949	1,221,105
Total liabilities, deferred inflows of resources and fund balances	\$ 1,308,907	\$ 68,885,140	\$ 35,404,200	\$ 7,981,127

Combining Balance Sheet

Nonmajor Special Revenue Funds

June 30, 2025

	Disaster Recovery Fund	Convention Center Financing Fund	Emergency Telephone System Fund	Total Nonmajor Special Revenue Funds
ASSETS				
Cash and cash equivalents	\$ 2,398,184	\$ 97,064,476	\$ 5,102,405	\$ 134,195,841
Other receivables and assets	-	-	-	2,896
Due from other governmental agencies	1,096,540	8,755,002	106,202	11,175,205
Accrued interest receivable	-	671,147	7,922	679,069
Sales tax receivable	-	-	59,510	151,921
Due from other funds	-	-	66,544	389,921
Loans receivable, net of allowance for uncollectibles of \$15,363,051	-	-	-	78,242,142
Cash and cash equivalents/investments - restricted deposits and bond proceeds	-	-	-	4,070,311
Total assets	\$ 3,494,724	\$ 106,490,625	\$ 5,342,583	\$ 228,907,306
LIABILITIES				
Accounts payable	\$ 2,062,584	\$ -	\$ 45,916	\$ 6,624,607
Accrued salaries and employee payroll taxes	-	-	-	1,432
Sales tax payable	-	-	393	393
Loan servicing escrow	-	-	-	535,861
Due to other funds	699	-	337,245	9,762,632
Unearned revenue	-	-	-	1,460,907
Coronavirus State & Local Fiscal Recovery Fund	-	-	-	4,070,311
Total liabilities	2,063,283	-	383,554	22,456,143
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	-	-	-	69,391
Total deferred inflows of resources	-	-	-	69,391
FUND BALANCES				
Nonspendable:				
Loans receivable	-	-	-	78,242,142
Restricted:				
Restricted debt service	-	106,490,625	-	106,490,625
Federal program reserves	-	-	-	1,221,105
Public safety	-	-	4,959,029	4,959,029
Assigned:				
Subsequent year's appropriation	-	-	-	756,521
Community development	-	-	-	22,705,758
Disaster recovery	1,431,441	-	-	1,431,441
Unassigned	-	-	-	(9,424,849)
Total fund balances	1,431,441	106,490,625	4,959,029	206,381,772
Total liabilities, deferred inflows of resources and fund balances	\$ 3,494,724	\$ 106,490,625	\$ 5,342,583	\$ 228,907,306

**Combining Statement of Revenues, Expenditures
And Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2025**

	Grants Fund	Housing Bond Fund	Community Development Fund	State & Local Fiscal Recovery (SLFRF) Fund
REVENUES				
Intergovernmental (including in-kind contributions of \$13,657)	\$ 3,570,650	\$ -	\$ 3,817,331	\$ 9,671,960
Non-governmental grants	84,498	-	-	-
Gain (loss) on investments	-	-	-	728,790
Program income	-	396,099	107,890	-
Miscellaneous other	-	108,151	-	-
Total revenues	3,655,148	504,250	3,925,221	10,400,750
EXPENDITURES				
Current:				
General government	184,369	-	-	4,227,154
Community development services	337,736	-	2,315,327	331,623
Public infrastructure	11,672,548	-	-	497,249
Public safety	403,706	-	-	2,240,450
Leisure services	44,533	-	-	242,760
Economic development programs	-	18,004,900	-	1,303,908
Total expenditures	12,642,892	18,004,900	2,315,327	8,843,144
Excess (deficiency) of revenues over (under) expenditures	(8,987,744)	(17,500,650)	1,609,894	1,557,606
OTHER FINANCING SOURCES (USES)				
Transfers in	5,197,827	1,250,000	-	-
Issuance of debt	-	15,072,483	-	-
Transfers out	-	-	-	(5,445,404)
Total other financing sources (uses)	5,197,827	16,322,483	-	(5,445,404)
Net change in fund balances	(3,789,917)	(1,178,167)	1,609,894	(3,887,798)
Fund balances, beginning of year	-	68,128,639	33,144,055	5,108,903
Adjustment to restate the July 1, 2024 fund balance	(5,634,932)	-	-	-
Fund balance July 1, 2024 as restated	(5,634,932)	68,128,639	33,144,055	5,108,903
Fund balances, end of year	\$ (9,424,849)	\$ 66,950,472	\$ 34,753,949	\$ 1,221,105

**Combining Statement of Revenues, Expenditures
And Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2025**

	Disaster Recovery Fund	Convention Center Financing Fund	Emergency Telephone System Fund	Total Nonmajor Special Revenue Funds
REVENUES				
Intergovernmental (including in-kind contributions of \$13,657)	\$ 3,351,124	\$ 48,691,542	\$ 1,274,427	\$ 70,377,034
Non-governmental grants	-	-	-	84,498
Gain (loss) on investments	-	4,479,401	52,877	5,261,068
Program income	-	-	-	503,989
Miscellaneous other	-	102,790	-	210,941
Total revenues	3,351,124	53,273,733	1,327,304	76,437,530
EXPENDITURES				
Current:				
General government	3,351,124	-	-	7,762,647
Community development services	-	-	-	2,984,686
Public infrastructure	-	-	-	12,169,797
Public safety	-	-	679,782	3,323,938
Leisure services	-	600,000	-	887,293
Economic development programs	-	-	-	19,308,808
Total expenditures	3,351,124	600,000	679,782	46,437,169
Excess (deficiency) of revenues over (under) expenditures	-	52,673,733	647,522	30,000,361
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	486,686	6,934,513
Issuance of debt	-	-	-	15,072,483
Transfers out	-	(33,535,403)	-	(38,980,807)
Total other financing sources (uses)	-	(33,535,403)	486,686	(16,973,811)
Net change in fund balances	-	19,138,330	1,134,208	13,026,550
Fund balances, beginning of year	1,431,441	87,352,295	3,824,821	198,990,154
Adjustment to restate the July 1, 2024 fund balance	-	-	-	(5,634,932)
Fund balance July 1, 2024 as restated	1,431,441	87,352,295	3,824,821	193,355,222
Fund balances, end of year	\$ 1,431,441	\$ 106,490,625	\$ 4,959,029	\$ 206,381,772

**Schedule of Revenues and Expenditures
Compared with Budget
Grants Fund
For the Fiscal Year Ended June 30, 2025**

	Actual				Over (Under) Budget
	Prior Years	Current Year	Total	Budget	
REVENUES					
Intergovernmental:					
US Department of Transportation	\$ 26,829,761	\$ 2,126,859	\$ 28,956,620	\$ 53,569,839	\$ (24,613,219)
Corporation for National and in-kind contributions of \$10,329	81,770	195,226	276,996	525,595	(248,599)
US Department of Justice	336,476	164,824	501,300	1,364,392	(863,092)
Environmental Protection Agency	-	31,722	31,722	400,000	(368,278)
US Department of Energy	-	338,352	338,352	450,390	(112,038)
US Department of Homeland Security	24,328	119,739	144,067	160,406	(16,339)
Office of National Drug Control Policy	26,189	21,089	47,278	57,825	(10,547)
State of North Carolina	547,633	572,839	1,120,472	2,220,092	(1,099,620)
	<u>27,846,157</u>	<u>3,570,650</u>	<u>31,416,807</u>	<u>58,748,539</u>	<u>(27,331,732)</u>
Non-governmental grants	810,889	84,498	895,387	1,478,210	(582,823)
Total revenues	<u>28,657,046</u>	<u>3,655,148</u>	<u>32,312,194</u>	<u>60,226,749</u>	<u>(27,914,555)</u>
OTHER FINANCING SOURCES					
Transfers from:					
General fund	10,005,051	5,197,827	15,202,878	15,202,878	-
Mass transit fund	1,045,764	-	1,045,764	1,045,764	-
Solid waste services	276,092	-	276,092	276,092	-
Total other financing sources	<u>11,326,907</u>	<u>5,197,827</u>	<u>16,524,734</u>	<u>16,524,734</u>	<u>-</u>
Total revenues and other financing sources	<u>\$ 39,983,953</u>	<u>\$ 8,852,975</u>	<u>\$ 48,836,928</u>	<u>\$ 76,751,483</u>	<u>\$ (27,914,555)</u>
EXPENDITURES					
General government	\$ 612,729	\$ 184,369	\$ 797,098	\$ 951,796	\$ (154,698)
Community development services	157,036	337,736	494,772	1,048,756	(553,984)
Public infrastructure	37,765,000	11,672,548	49,437,548	70,623,941	(21,186,393)
Public safety	470,605	403,706	874,311	1,768,811	(894,500)
Leisure services	945,413	44,533	989,946	2,325,009	(1,335,063)
Total expenditures	<u>39,950,783</u>	<u>12,642,892</u>	<u>52,593,675</u>	<u>76,718,313</u>	<u>(24,124,638)</u>
OTHER FINANCING USES					
Transfers to:					
Mass transit fund	33,170	-	33,170	33,170	-
Total other financing uses	<u>33,170</u>	<u>-</u>	<u>33,170</u>	<u>33,170</u>	<u>-</u>
Total expenditures and other financing uses	<u>\$ 39,983,953</u>	<u>\$ 12,642,892</u>	<u>\$ 52,626,845</u>	<u>\$ 76,751,483</u>	<u>\$ (24,124,638)</u>

**Schedule of Revenues and Expenditures
Compared with Budget
Housing Bond Fund
For the Fiscal Year Ended June 30, 2025**

	Actual				Over (Under) Budget
	Prior Years	Current Year	Total	Budget	
REVENUES					
Gain (loss) on investments	\$ 930,194	\$ -	\$ 930,194	\$ -	\$ 930,194
Rents	669,644	-	669,644	630,000	39,644
Program income	34,511,627	1,007,760	35,519,387	17,717,003	17,802,384
Recovery of claims	135,219	-	135,219	83,846	51,373
Miscellaneous other	588,278	108,151	696,429	803,068	(106,639)
Total revenues	36,834,962	1,115,911	37,950,873	19,233,917	18,716,956
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	-
Miscellaneous capital projects fund	-	1,250,000	1,250,000	1,250,000	-
Bonds issued	72,327,517	15,072,483	87,400,000	87,400,000	-
Proceeds on sale of property	7,229,721	-	7,229,721	1,978,893	5,250,828
Total other financing sources	81,797,238	16,322,483	98,119,721	92,868,893	5,250,828
Total revenues and other financing sources	\$ 118,632,200	\$ 17,438,394	\$ 136,070,594	112,102,810	\$ 23,967,784
Fund balance appropriated				20,953,399	
				\$ 133,056,209	
EXPENDITURES					
Economic development programs	\$ 48,396,896	\$ 20,012,176	\$ 68,409,072	\$ 129,856,209	\$ (61,447,137)
OTHER FINANCING USES					
Transfer to:					
Debt service fund	3,200,000	-	3,200,000	3,200,000	-
Total expenditures and other financing uses	\$ 51,596,896	\$ 20,012,176	\$ 71,609,072	\$ 133,056,209	\$ (61,447,137)
Excess revenues and other financing sources over expenditures and other financing uses		\$ (2,573,782)			
Reconciliation: Loan treatment under GAAP					
Principal payments on loans receivable		(611,661)			
Issuance of loans receivable		2,007,276			
Change in fund balance		\$ (1,178,167)			

**Schedule of Revenues and Expenditures
Compared with Budget
Community Development Fund
For the Fiscal Year Ended June 30, 2025**

	Actual				Over (Under) Budget
	Prior Years	Current Year	Total	Budget	
REVENUES					
Intergovernmental:					
US Department of HUD	\$ 60,392,833	\$ 3,817,331	\$ 64,210,164	\$ 64,210,164	\$ -
Rents	1,705,425	-	1,705,425	1,292,185	413,240
Program income	17,757,272	743,577	18,500,849	10,251,682	8,249,167
Miscellaneous other	2,738,759	-	2,738,759	3,325,260	(586,501)
Total revenues	82,594,289	4,560,908	87,155,197	79,079,291	8,075,906
OTHER FINANCING SOURCES					
Transfers from:					
Housing development - operating	1,783,403	-	1,783,403	1,783,403	-
Proceeds on sale of property	5,235,694	-	5,235,694	4,001,729	1,233,965
Total other financing sources	7,019,097	-	7,019,097	5,785,132	1,233,965
Total revenues and other financing sources	\$ 89,613,386	\$ 4,560,908	\$ 94,174,294	84,864,423	\$ 9,309,871
Fund balance appropriated				1,926,599	
				\$ 86,791,022	
EXPENDITURES					
Community development services	\$ 60,454,862	\$ 4,560,908	\$ 65,015,770	\$ 86,752,787	\$ (21,737,017)
OTHER FINANCING USES					
Transfer to housing bond fund					
Transfer to:					
Technology capital projects fund	38,235	-	38,235	38,235	-
Total expenditures and other financing uses	\$ 60,493,097	\$ 4,560,908	\$ 65,054,005	\$ 86,791,022	\$ (21,737,017)
Excess revenues and other financing sources over expenditures and other financing uses		\$ -			
Reconciliation: Loan treatment under GAAP					
Principal payments on loans receivable		(635,687)			
Issuance of loans receivable		2,245,581			
Change in fund balance		\$ 1,609,894			

**Schedule of Revenues and Expenditures
Compared with Budget
State and Local Fiscal Recovery Fund (SLFRF)
For the Fiscal Year Ended June 30, 2025**

	Actual				Over (Under) Budget
	Prior Years	Current Year	Total	Budget	
REVENUES					
Intergovernmental:					
US Department of Treasury	\$ 34,513,947	\$ 9,671,960	\$ 44,185,907	\$ 47,318,033	\$ (3,132,126)
Program income	916,633	-	916,633	1,021,816	(105,183)
Gain (loss) on investments	5,021,086	728,790	5,749,876	5,361,816	388,060
Total revenues	\$ 40,451,666	\$ 10,400,750	\$ 50,852,416	\$ 53,701,665	\$ (2,849,249)
EXPENDITURES					
General government	\$ 20,436,074	\$ 4,227,154	\$ 24,663,228	\$ 25,112,844	\$ (449,616)
Community development services	292,150	331,623	623,773	772,321	(148,548)
Economic development programs	12,421,993	1,303,908	13,725,901	14,877,015	(1,151,114)
Public infrastructure	1,492,137	497,249	1,989,386	3,758,114	(1,768,728)
Public safety	507,770	2,240,450	2,748,220	2,864,592	(116,372)
Leisure services	192,639	242,760	435,399	871,332	(435,933)
Total expenditures	\$ 35,342,763	\$ 8,843,144	\$ 44,185,907	\$ 48,256,218	\$ (4,070,311)
OTHER FINANCING USES					
Transfers to:					
Miscellaneous capital projects fund	-	5,445,404	5,445,404	5,445,447	(43)
Total other financing uses	-	5,445,404	5,445,404	5,445,447	(43)
Total expenditures and other financing uses	\$ 35,342,763	\$ 14,288,548	\$ 49,631,311	\$ 53,701,665	\$ (4,070,354)

**Schedule of Revenues and Expenditures
Compared with Budget
Disaster Recovery Fund
For the Fiscal Year Ended June 30, 2025**

	Actual				Over (Under) Budget
	Prior Years	Current Year	Total	Budget	
REVENUES					
Intergovernmental:					
Federal Emergency Management Agency	\$ 3,264,509	\$ 1,096,540	\$ 4,361,049	\$ 4,909,582	\$ (548,533)
US Department of Treasury	9,059,203	2,254,584	11,313,787	11,313,787	-
Total revenues	12,323,712	3,351,124	15,674,836	16,223,369	(548,533)
 Total revenues and other financing sources	 \$ 12,323,712	 \$ 3,351,124	 \$ 15,674,836	 \$ 16,223,369	 \$ (548,533)
 EXPENDITURES					
General government	\$ 12,609,985	\$ 3,351,124	\$ 15,961,109	\$ 16,223,369	\$ (262,260)
 Total expenditures and other financing uses	 \$ 12,609,985	 \$ 3,351,124	 \$ 15,961,109	 \$ 16,223,369	 \$ (262,260)

**Schedule of Revenues and Expenditures
Compared with Budget
Convention Center Financing Fund
For the Fiscal Year Ended June 30, 2025**

	<u>Actual</u>	<u>Budget</u>	<u>Over (Under) Budget</u>
REVENUES			
Intergovernmental:			
Wake County	\$ 48,691,542	\$ 47,594,187	\$ 1,097,355
Miscellaneous other	102,790	-	102,790
Gain (loss) on investments	4,479,401	2,540,174	1,939,227
Total revenues	<u><u>\$ 53,273,733</u></u>	<u>50,134,361</u>	<u><u>\$ 3,139,372</u></u>
Fund balance appropriated		-	
		<u><u>\$ 50,134,361</u></u>	
EXPENDITURES			
Leisure services	\$ 600,000	\$ 16,598,958	\$ (15,998,958)
OTHER FINANCING USES			
Transfers to:			
Convention center complex fund	33,535,403	33,535,403	-
Total other financing uses	<u><u>33,535,403</u></u>	<u><u>33,535,403</u></u>	<u><u>-</u></u>
Total expenditures and other financing uses	<u><u>\$ 34,135,403</u></u>	<u><u>\$ 50,134,361</u></u>	<u><u>\$ (15,998,958)</u></u>

**Schedule of Revenues and Expenditures
Compared with Budget
Emergency Telephone System Fund
For the Fiscal Year Ended June 30, 2025**

	<u>Actual</u>	<u>Budget</u>	<u>Over (Under) Budget</u>
REVENUES			
Intergovernmental:			
State of North Carolina	\$ 1,274,427	\$ 1,274,427	\$ -
Gain (loss) on investments	52,877	-	52,877
Total revenues	<u>1,327,304</u>	<u>1,274,427</u>	<u>52,877</u>
OTHER FINANCING SOURCES			
Transfers from:			
General fund	486,686	486,686	-
Total revenues and other financing sources	<u>\$ 1,813,990</u>	1,761,113	<u>\$ 52,877</u>
Fund balance appropriated		643,834	
		<u>\$ 2,404,947</u>	
EXPENDITURES			
Public safety:			
Telephone	\$ 207,920	\$ 918,640	\$ (710,720)
Software maintenance	143,360	924,749	(781,389)
Hardware maintenance	6,345	86,000	(79,655)
Training	97,220	181,900	(84,680)
Functions	224,937	293,658	(68,721)
Total expenditures	<u>679,782</u>	<u>2,404,947</u>	<u>(1,725,165)</u>
OTHER FINANCING USES			
Transfers to:			
Total expenditures and other financing uses	<u>\$ 679,782</u>	<u>\$ 2,404,947</u>	<u>\$ (1,725,165)</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, technology projects, and other miscellaneous capital projects.



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General Capital Projects Funds

Sidewalk and Street Improvement Fund (nonmajor fund)

The Street Improvement Fund accounts for all street improvement and sidewalk programs. Street Improvements are to be financed from applicable street assessment proceeds and other non-bond street improvement resources. Sidewalks account for capital project costs for the construction of sidewalks within the City.

Street Bond Fund (nonmajor fund)

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

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 parks, amenities, 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. With the Major Public Facilities projects completed, the funds are presented as part of the Miscellaneous Capital Improvements Fund for reporting purposes only.

Walnut Creek Amphitheater Projects Fund (nonmajor fund)

The Walnut Creek Amphitheater Projects 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.

Combining Balance Sheet **Nonmajor Capital Projects Funds** **June 30, 2025**

	Sidewalk and Street Improvement Fund	Street Bond Fund	Park Improvement Fund	Facility Fees Fund	Park Bond Fund
ASSETS					
Cash and cash equivalents	\$ 91,762,439	\$ 1,909,234	\$ 19,182,756	\$ 42,349,541	\$ 5,416,628
Assessments receivable, net of allowance for uncollectibles of \$85,587	109,138	-	-	-	-
Other receivables and assets	-	-	-	-	-
Franchise taxes receivable	-	-	-	-	-
Due from other governmental agencies	5,205,612	105,383	-	-	-
Sales tax receivable	70,777	106,910	120,399	-	118,982
Due from other funds	18,414	10,892	-	-	-
Cash and cash equivalents/investments - restricted deposits and bond proceeds	3,333,050	19,347,839	-	-	-
Total assets	\$ 100,499,430	\$ 21,480,258	\$ 19,303,155	\$ 42,349,541	\$ 5,535,610
LIABILITIES					
Accounts payable	\$ 4,492,481	\$ 3,372,800	\$ 744,943	\$ -	\$ 1,419,208
Due to other funds	-	-	194	-	3,427
Reimbursable facility fees	-	-	-	14,438,781	-
Unearned revenue	-	-	-	-	-
Prepaid assessments	13,699	-	-	-	-
Escrow and other deposits payable from restricted assets	3,333,050	-	-	-	-
Total liabilities	7,839,230	3,372,800	745,137	14,438,781	1,422,635
DEFERRED INFLOWS OF RESOURCES					
Unavailable assessments	109,138	-	-	-	-
Unavailable revenue	174,230	-	-	-	-
Total deferred inflows of resources	283,368	-	-	-	-
FUND BALANCES					
Restricted:					
Unspent capital debt proceeds	-	18,107,458	-	-	-
Assigned:					
City projects	92,376,832	-	18,558,018	27,910,760	4,112,975
Total fund balances	92,376,832	18,107,458	18,558,018	27,910,760	4,112,975
Total liabilities, deferred inflows of resources and fund balances	\$ 100,499,430	\$ 21,480,258	\$ 19,303,155	\$ 42,349,541	\$ 5,535,610

Combining Balance Sheet

Nonmajor Capital Projects Funds

June 30, 2025

	Miscellaneous Capital Improvements Fund	Walnut Creek Amphitheater Projects Fund	Technology Capital Projects Fund	Combining Eliminations	Total Nonmajor Capital Projects Funds
ASSETS					
Cash and cash equivalents	\$ 96,580,928	\$ 1,220,777	\$ 6,059,771	\$ -	\$ 264,482,074
Assessments receivable, net of allowance for uncollectibles of \$85,587	-	-	-	-	109,138
Other receivables and assets	-	3,287	-	-	3,287
Franchise taxes receivable	18,750	-	-	-	18,750
Due from other governmental agencies	-	-	-	-	5,310,995
Sales tax receivable	979,628	-	168,781	-	1,565,477
Due from other funds	2,105,503	-	-	-	2,134,809
Cash and cash equivalents/investments - restricted deposits and bond proceeds	22,045	-	-	-	22,702,934
Total assets	\$ 99,706,854	\$ 1,224,064	\$ 6,228,552	\$ -	\$ 296,327,464
LIABILITIES					
Accounts payable	\$ 18,310,069	\$ -	\$ 136,437	\$ -	\$ 28,475,938
Due to other funds	-	-	-	-	3,621
Reimbursable facility fees	-	-	-	-	14,438,781
Unearned revenue	60,860	-	-	-	60,860
Prepaid assessments	-	-	-	-	13,699
Escrow and other deposits payable from restricted assets	22,045	-	-	-	3,355,095
Total liabilities	18,392,974	-	136,437	-	46,347,994
DEFERRED INFLOWS OF RESOURCES					
Unavailable assessments	-	-	-	-	109,138
Unavailable revenue	-	-	-	-	174,230
Total deferred inflows of resources	-	-	-	-	283,368
FUND BALANCES					
Restricted:					
Unspent capital debt proceeds	-	-	-	-	18,107,458
Assigned:					
City projects	81,313,880	1,224,064	6,092,115	-	231,588,644
Total fund balances	81,313,880	1,224,064	6,092,115	-	249,696,102
Total liabilities, deferred inflows of resources and fund balances	\$ 99,706,854	\$ 1,224,064	\$ 6,228,552	\$ -	\$ 296,327,464

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Fiscal Year Ended June 30, 2025

	Sidewalk and Street Improvement Fund	Street Bond Fund	Park Improvement Fund	Facility Fees Fund	Park Bond Fund
REVENUES					
Intergovernmental	\$ 2,482,799	\$ 4,017	\$ 30,515	\$ -	\$ -
Non-governmental grants	-	-	-	-	3,000,000
Assessments	374,325	-	55,102	-	-
Licenses	43,777	-	-	-	-
Gain (loss) on investments	-	358,182	-	-	-
Facility fees	-	-	-	12,302,756	-
Other fees and charges	-	-	-	-	-
Donations and contributions	-	-	41,533	-	626,783
Miscellaneous other	-	-	1,192	-	-
Total revenues	2,900,901	362,199	128,342	12,302,756	3,626,783
EXPENDITURES					
Current:					
General government	-	-	-	-	-
Community development services	-	-	-	-	-
Public infrastructure	20,365,271	35,734,496	-	-	-
Public safety	-	-	-	-	-
Leisure services	-	-	11,745,633	-	37,505,244
Total expenditures	20,365,271	35,734,496	11,745,633	-	37,505,244
Excess (deficiency) of revenues over (under) expenditures	(17,464,370)	(35,372,297)	(11,617,291)	12,302,756	(33,878,461)
OTHER FINANCING SOURCES (USES)					
Transfers in	33,074,691	-	8,773,517	-	3,077,760
Transfers out	-	-	-	(16,360,265)	-
Issuance of debt	-	52,923,775	-	-	22,431,883
Total other financing sources (uses)	33,074,691	52,923,775	8,773,517	(16,360,265)	25,509,643
Net change in fund balances	15,610,321	17,551,478	(2,843,774)	(4,057,509)	(8,368,818)
Fund balances, beginning of year	76,766,511	555,980	21,401,792	31,968,269	12,481,793
Fund balances, end of year	\$ 92,376,832	\$ 18,107,458	\$ 18,558,018	\$ 27,910,760	\$ 4,112,975

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Fiscal Year Ended June 30, 2025

	Miscellaneous Capital Improvements Fund	Walnut Creek Amphitheater Projects Fund	Technology Capital Projects Fund	Combining Eliminations	Total Nonmajor Capital Projects Funds
REVENUES					
Intergovernmental	\$ 77,288	\$ -	\$ -	\$ -	\$ 2,594,619
Non-governmental grants	-	-	-	-	3,000,000
Assessments	-	-	-	-	429,427
Licenses	77,203	-	-	-	120,980
Gain (loss) on investments	420,456	-	-	-	778,638
Facility fees	-	-	-	-	12,302,756
Other fees and charges	5,631	-	-	-	5,631
Donations and contributions	15,000	-	-	-	683,316
Miscellaneous other	-	-	-	-	1,192
Total revenues	595,578	-	-	-	19,916,559
EXPENDITURES					
Current:					
General government	8,316,054	-	2,899,353	-	11,215,407
Community development services	401,243	-	-	-	401,243
Public infrastructure	55,309,415	-	-	-	111,409,182
Public safety	8,912,279	-	49,242	-	8,961,521
Leisure services	1,417	110,753	-	-	49,363,047
Total expenditures	72,940,408	110,753	2,948,595	-	181,350,400
Excess (deficiency) of revenues over (under) expenditures	(72,344,830)	(110,753)	(2,948,595)	-	(161,433,841)
OTHER FINANCING SOURCES (USES)					
Transfers in	38,900,637	50,000	1,385,000	(11,598,630)	73,662,975
Transfers out	(2,608,200)	(500,000)	-	11,598,630	(7,869,835)
Issuance of debt	39,987,449	-	-	-	115,343,107
Total other financing sources (uses)	76,279,886	(450,000)	1,385,000	-	181,136,247
Net change in fund balances	3,935,056	(560,753)	(1,563,595)	-	19,702,406
Fund balances, beginning of year	77,378,824	1,784,817	7,655,710	-	229,993,696
Fund balances, end of year	\$ 81,313,880	\$ 1,224,064	\$ 6,092,115	\$ -	\$ 249,696,102

Schedule of Revenues and Expenditures Compared with Budget Sidewalk and Street Improvement Fund For the Fiscal Year Ended June 30, 2025

		Actual				
	Prior Years	Current Year	Total	Budget	Over (Under) Budget	
REVENUES						
Intergovernmental:						
State of North Carolina	\$ 22,111,221	\$ 2,403,014	\$ 24,514,235	\$ 62,082,473	\$ (37,568,238)	
U.S. Department of Transportation	-	79,785	79,785	-	79,785	
Other	-	-	-	537,500	(537,500)	
Non-governmental grants	6,806,542	-	6,806,542	6,806,542	-	
Developer participation	716,145	-	716,145	837,740	(121,595)	
Assessments	2,604,582	374,325	2,978,907	8,116,920	(5,138,013)	
Gain (loss) on investments	573,310	-	573,310	2,433,332	(1,860,022)	
Licenses	-	43,777	43,777	27,133	16,644	
Inspections	-	-	-	2,200,000	(2,200,000)	
Miscellaneous other	17,288	-	17,288	886,824	(869,536)	
Total revenues	32,829,088	2,900,901	35,729,989	83,928,464	(48,198,475)	
OTHER FINANCING SOURCES						
Transfers from:						
General fund	76,864,399	21,576,061	98,440,460	98,440,460	-	
Street bond fund	4,588,100	-	4,588,100	4,588,100	-	
Facility fees fund	40,965,863	11,340,430	52,306,293	52,306,293	-	
Disaster recovery fund	964,000	-	964,000	964,000	-	
Miscellaneous capital project fund	-	158,200	158,200	158,200	-	
Gain (loss) on sale of property	-	-	-	30,000	(30,000)	
Total other financing sources	123,382,362	33,074,691	156,457,053	156,487,053	(30,000)	
Total revenues and other financing sources	\$ 156,211,450	\$ 35,975,592	\$ 192,187,042	240,415,517	\$ (48,228,475)	
Fund balance appropriated				7,939,399		
				\$ 248,354,916		
EXPENDITURES						
Public infrastructure	\$ 79,444,939	\$ 20,365,271	\$ 99,810,210	\$ 248,354,916	\$ (148,544,706)	
OTHER FINANCING USES						
Transfers to:						
Total expenditures and other financing uses	\$ 79,444,939	\$ 20,365,271	\$ 99,810,210	\$ 248,354,916	\$ (148,544,706)	

**Schedule of Revenues and Expenditures
Compared with Budget
Street Bond Fund
For the Fiscal Year Ended June 30, 2025**

	Prior Years	Actual Current Year	Total	Budget	Over (Under) Budget
REVENUES					
Intergovernmental:					
State of North Carolina	\$ 4,234,070	\$ 4,017	\$ 4,238,087	\$ 4,234,070	\$ 4,017
Developer participation	3,699,758	-	3,699,758	1,225,000	2,474,758
Gain (loss) on investments	4,944,491	358,182	5,302,673	1,952,295	3,350,378
Total revenues	12,878,319	362,199	13,240,518	7,411,365	5,829,153
OTHER FINANCING SOURCES					
Issuance of debt	98,932,151	52,923,775	151,855,926	240,746,695	(88,890,769)
Total other financing sources	98,932,151	52,923,775	151,855,926	240,746,695	(88,890,769)
Total revenues and other financing sources	\$ 111,810,470	\$ 53,285,974	\$ 165,096,444	248,158,060	\$ (83,061,616)
Fund balance appropriated				1,212,000	
				\$ 249,370,060	
EXPENDITURES					
Public infrastructure	\$ 107,647,461	\$ 35,734,496	\$ 143,381,957	\$ 245,763,031	\$ (102,381,074)
OTHER FINANCING USES					
Transfers to:					
Mass transit fund	516,229	-	516,229	516,229	-
Street improvement fund	3,090,800	-	3,090,800	3,090,800	-
Total other financing uses	3,607,029	-	3,607,029	3,607,029	-
Total expenditures and other financing uses	\$ 111,254,490	\$ 35,734,496	\$ 146,988,986	\$ 249,370,060	\$ (102,381,074)

**Schedule of Revenues and Expenditures
Compared with Budget
Park Improvement Fund
For the Fiscal Year Ended June 30, 2025**

	Actual				Over (Under) Budget
	Prior Years	Current Year	Total	Budget	
REVENUES					
Intergovernmental:					
US Department of the Interior	3,506,763	30,515	3,537,278	3,506,763	30,515
Assessments	575,032	55,102	630,134	782,723	(152,589)
Gain (loss) on investments	136,281	-	136,281	136,281	-
Facility fees	234,232	-	234,232	234,232	-
Donations and contributions	248,520	41,533	290,053	290,053	-
Miscellaneous other	546,335	1,192	547,527	547,527	-
Total revenues	5,247,163	128,342	5,375,505	5,497,579	(122,074)
OTHER FINANCING SOURCES					
Transfers from:					
General fund	28,764,340	8,673,517	37,437,857	37,437,857	-
Facility fees fund	9,000,000	-	9,000,000	9,000,000	-
Miscellaneous capital projects fund	89,900	100,000	189,900	189,900	-
Street bond fund	43,579	-	43,579	43,579	-
Park bond fund	4,543,012	-	4,543,012	4,543,012	-
Total other financing sources	42,440,831	8,773,517	51,214,348	51,214,348	-
Total revenues and other financing sources	\$ 47,687,994	\$ 8,901,859	\$ 56,589,853	56,711,927	\$ (122,074)
Fund balance appropriated				2,559,800	
				\$ 59,271,727	
EXPENDITURES					
Leisure services	\$ 26,286,202	\$ 11,745,633	\$ 38,031,835	\$ 59,271,727	\$ (21,239,892)
Total expenditures and other financing uses	\$ 26,286,202	\$ 11,745,633	\$ 38,031,835	\$ 59,271,727	\$ (21,239,892)

**Schedule of Revenues and Expenditures
Compared with Budget
Facility Fees Fund
For the Fiscal Year Ended June 30, 2025**

	<u>Actual</u>	<u>Budget</u>	<u>Over (Under) Budget</u>
REVENUES			
Facility fees	\$ <u>12,302,756</u>	\$ <u>16,360,265</u>	\$ <u>(4,057,509)</u>
		<u>\$ 16,360,265</u>	
OTHER FINANCING USES			
Transfers to:			
General fund	\$ 5,019,835	\$ 5,019,835	\$ -
Street improvement fund	<u>11,340,430</u>	<u>11,340,430</u>	<u>-</u>
Total other financing uses	<u>\$ 16,360,265</u>	<u>\$ 16,360,265</u>	<u>\$ -</u>

**Schedule of Revenues and Expenditures
Compared with Budget
Park Bond Fund
For the Fiscal Year Ended June 30, 2025**

	Actual				Over (Under) Budget
	Prior Years	Current Year	Total	Budget	
REVENUES					
Intergovernmental:					
State of North Carolina	\$ 75,000	\$ -	\$ 75,000	\$ 450,000	\$ (375,000)
Non-governmental grants	12,556,554	3,000,000	15,556,554	20,545,000	(4,988,446)
Gain (loss) on investments	607,591	-	607,591	-	607,591
Donations and contributions	7,242,998	626,783	7,869,781	6,997,881	871,900
Miscellaneous other	315,155	-	315,155	450,000	(134,845)
Total revenues	20,797,298	3,626,783	24,424,081	28,442,881	(4,018,800)
OTHER FINANCING SOURCES					
Transfers from:					
General fund	14,006,599	3,077,760	17,084,359	17,084,359	-
Facility fees fund	1,105,134	-	1,105,134	1,105,134	-
Issuance of debt	135,621,639	22,431,883	158,053,522	241,779,739	(83,726,217)
Premium on issuance of debt	2,781,558	-	2,781,558	2,781,558	-
Total other financing sources	153,514,930	25,509,643	179,024,573	262,750,790	(83,726,217)
Total revenues and other financing sources	\$ 174,312,228	\$ 29,136,426	\$ 203,448,654	291,193,671	\$ (87,745,017)
Fund balance appropriated				2,850,000	
				\$ 294,043,671	
EXPENDITURES					
Leisure services	\$ 157,222,023	\$ 37,505,244	\$ 194,727,267	\$ 289,435,259	\$ (94,707,992)
OTHER FINANCING USES					
Transfers to:					
Park improvement fund	4,608,412	-	4,608,412	4,608,412	-
Total expenditures and other financing uses	\$ 161,830,435	\$ 37,505,244	\$ 199,335,679	\$ 294,043,671	\$ (94,707,992)

**Schedule of Revenues and Expenditures
Compared with Budget
Miscellaneous Capital Improvements Fund
For the Fiscal Year Ended June 30, 2025**

	Actual				Over (Under) Budget
	Prior Years	Current Year	Total	Budget	
REVENUES					
Intergovernmental:					
Other local	741,279	77,288	818,567	804,944	13,623
Project revenue (non-grant)	500,000	-	500,000	500,000	-
Gain (loss) on investments	715,769	420,456	1,136,225	1,593,847	(457,622)
Other fees and charges	127,288	5,631	132,919	-	132,919
Franchise tax	154,348	-	154,348	300,000	(145,652)
Licenses	77,419	77,203	154,622	60,000	94,622
Donations and contributions	-	15,000	15,000	25,000	(10,000)
Miscellaneous other	100,000	-	100,000	281,246	(181,246)
Total revenues	2,416,103	595,578	3,011,681	3,565,037	(553,356)
OTHER FINANCING SOURCES					
Transfers from:					
General fund	98,077,132	33,362,233	131,439,365	131,439,365	-
Street bond fund	7,934,806	-	7,934,806	7,934,806	-
Public utility fund	288,000	20,000	308,000	308,000	-
Stormwater fund	92,500	50,000	142,500	142,500	-
Solid waste fund	65,000	15,000	80,000	80,000	-
Disaster recovery fund	200,000	-	200,000	200,000	-
State and local fiscal recovery fund	-	5,445,404	5,445,404	5,445,404	-
Housing development fund	-	8,000	8,000	8,000	-
Vehicle fleet services fund	17,000	-	17,000	17,000	-
Transit fund	75,000	-	75,000	75,000	-
Issuance of debt	38,130,468	39,987,449	78,117,917	337,163,666	(259,045,749)
Premium on bonds	5,849,718	-	5,849,718	5,011,583	838,135
Gain (loss) on sale of property	9,353,298	-	9,353,298	-	9,353,298
Total other financing sources	160,082,922	78,888,086	238,971,008	487,825,324	(248,854,316)
Total revenues and other financing sources	\$ 162,499,025	\$ 79,483,664	\$ 241,982,689	491,390,361	\$ (249,407,672)
Fund balance appropriated				32,832,245	
				\$ 524,222,606	
EXPENDITURES					
General government	\$ 1,763,203	\$ 8,316,054	\$ 10,079,257	\$ 20,973,711	\$ (10,894,454)
Community development	385,095	401,243	786,338	2,538,478	(1,752,140)
Public infrastructure	50,872,990	55,309,415	106,182,405	320,075,106	(213,892,701)
Leisure services	90,000	1,417	91,417	751,503	(660,086)
Public safety	37,249,928	8,912,279	46,162,207	176,987,516	(130,825,309)
Total expenditures	90,361,216	72,940,408	163,301,624	521,326,314	(358,024,690)
OTHER FINANCING USES					
Transfers to:					
General fund	-	1,000,000	1,000,000	1,000,000	-
Street bond fund	20,000	158,200	178,200	183,200	(5,000)
Park bond fund	127,600	100,000	227,600	227,600	-
Housing bond fund	-	1,250,000	1,250,000	1,250,000	-
Stormwater fund	101,715	100,000	201,715	201,715	-
Grants fund	33,777	-	33,777	33,777	-
Total other financing uses	283,092	2,608,200	2,891,292	2,896,292	(5,000)
Total expenditures and other financing uses	\$ 90,644,308	\$ 75,548,608	\$ 166,192,916	\$ 524,222,606	\$ (358,029,690)

**Schedule of Revenues and Expenditures
Compared with Budget
Walnut Creek Amphitheater Projects Fund
For the Fiscal Year Ended June 30, 2025**

	Prior Years	Actual Current Year	Total	Budget	Over (Under) Budget
REVENUES					
Rents	\$ 1,131,415	\$ -	\$ 1,131,415	\$ -	\$ 1,131,415
Other fees and charges	374,394	-	374,394	-	374,394
Total revenues	1,505,809	-	1,505,809	-	1,505,809
OTHER FINANCING SOURCES					
Transfers from:					
Walnut creek amphitheater operating fund	2,319,568	50,000	2,369,568	2,369,568	-
Total other financing sources	2,319,568	50,000	2,369,568	2,369,568	-
Total revenues and other financing sources	\$ 3,825,377	\$ 50,000	\$ 3,875,377	2,369,568	\$ 1,505,809
Fund balance appropriated				1,045,320	
				\$ 3,414,888	
EXPENDITURES					
Leisure services	267,107	110,753	377,860	1,141,435	(763,575)
OTHER FINANCING USES					
Transfers to:					
RCC expansion capital projects fund	1,773,453	500,000	2,273,453	2,273,453	-
Total expenditures and other financing uses	\$ 2,040,560	\$ 610,753	\$ 2,651,313	\$ 3,414,888	\$ (763,575)

**Schedule of Revenues and Expenditures
Compared with Budget
Technology Capital Projects Fund
For the Fiscal Year Ended June 30, 2025**

	Prior Years	Actual Current Year	Total	Budget	Over (Under) Budget
REVENUES					
Intergovernmental:					
Wake County	\$ 711,040	\$ -	\$ 711,040	\$ -	\$ 711,040
Gain (loss) on investments	1,092,232	-	1,092,232	-	1,092,232
Total revenues	1,803,272	-	1,803,272	-	1,803,272
OTHER FINANCING SOURCES					
Transfers from:					
Convention center complex fund	312,865	-	312,865	312,865	-
General fund	11,562,854	1,385,000	12,947,854	12,947,854	-
Mass transit fund	32,852	-	32,852	32,852	-
Parking fund	84,223	-	84,223	84,223	-
Solid waste services fund	577,144	-	577,144	577,144	-
Stormwater fund	529,642	-	529,642	529,642	-
Vehicle fleet services fund	240,347	-	240,347	240,347	-
Water and sewer fund	2,190,665	-	2,190,665	2,190,665	-
Total other financing sources	15,530,592	1,385,000	16,915,592	16,915,592	-
Total revenues and other financing sources	\$ 17,333,864	\$ 1,385,000	\$ 18,718,864	16,915,592	\$ 1,803,272
				\$ 16,915,592	
EXPENDITURES					
General government	\$ 10,199,653	\$ 2,948,595	\$ 13,148,248	\$ 16,915,592	\$ (3,767,344)



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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.



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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 and the Water and Sewer Capital Projects 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.



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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, 2025**

	<u>Actual</u>	<u>Budget</u>	<u>Over (Under) Budget</u>
REVENUES			
Water and sewer user charges	\$ 270,151,650	\$ 260,171,749	\$ 9,979,901
Water infrastructure replacement	5,430,644	5,000,000	430,644
Sewer infrastructure replacement	14,978,289	14,000,000	978,289
Watershed protection fees	2,685,227	2,320,000	365,227
Capital facility fees	24,763,954	20,000,000	4,763,954
Other operating revenues	9,780,307	3,429,841	6,350,466
Total operating revenues	327,790,071	304,921,590	22,868,481
NONOPERATING REVENUES			
Gain (loss) on investments	30,583,142	10,744,928	19,838,214
Gain (loss) on disposal of capital assets	111,660	30,000	81,660
Other nonoperating revenues	69,226	-	69,226
Total nonoperating revenues	30,764,028	10,774,928	19,989,100
OTHER FINANCING SOURCES			
Lease liabilities issued	1,024,298	1,024,298	-
IT subscription liabilities issued	2,062,653	2,062,653	-
Total other financing sources	3,086,951	3,086,951	-
Total revenues and other financing sources	\$ 361,641,050	318,783,469	\$ 42,857,581
Fund balance appropriated		36,821,086	
		\$ 355,604,555	
EXPENDITURES			
Public utilities:			
Administration	\$ 11,876,603	\$ 14,430,333	\$ (2,553,730)
Capital improvements management	7,127,785	7,264,043	(136,258)
Water plant	29,054,276	33,259,793	(4,205,517)
Waste treatment plant	33,044,873	37,715,757	(4,670,884)
Utility billing	9,657,541	12,505,935	(2,848,394)
Sewer maintenance	16,634,774	17,529,047	(894,273)
Water distribution	14,375,255	15,675,879	(1,300,624)
Meter operations	7,696,922	7,821,671	(124,749)
Total operating expenditures	129,468,029	146,202,458	(16,734,429)
Special appropriations:			
Reimbursement to general fund	11,603,626	11,611,259	(7,633)
Insurance and risk management charges	6,383,289	6,418,299	(35,010)
Other expenditures	212,706	212,706	-
Total special appropriations	18,199,621	18,242,264	(42,643)

**Schedule of Revenues and Expenditures
Budget (Modified Accrual Basis) and Actual
Water and Sewer Operating Fund
For the Fiscal Year Ended June 30, 2025**

	<u>Actual</u>	<u>Budget</u>	<u>Over (Under) Budget</u>
Debt service:			
Leases:			
Principal	596,860	596,860	-
Interest	65,223	65,223	-
IT Subscriptions:			
Principal	1,420,191	1,420,191	-
Interest	24,234	24,234	-
Revenue bonds:			
Principal	34,885,000	34,885,000	-
Interest	26,919,565	26,919,565	-
Installment financing agreements:			
Principal	7,135,622	7,135,622	-
Interest	5,081,570	5,081,570	-
Other expenditures	19,180	8,451,568	(8,432,388)
Total nonoperating expenditures	76,147,445	84,579,833	(8,432,388)
Total expenditures	223,815,095	249,024,555	(25,209,460)
OTHER FINANCING USES			
Transfers to:			
Water capital projects fund	47,560,000	47,560,000	-
Sewer capital projects fund	59,000,000	59,000,000	-
Miscellaneous capital projects fund	20,000	20,000	-
Total other financing uses	106,580,000	106,580,000	-
Total expenditures and other financing uses	\$ 330,395,095	\$ 355,604,555	\$ (25,209,460)

**Schedule of Revenues and Expenditures
Budget (Modified Accrual Basis) and Actual
Water and Sewer Capital Projects Fund
For the Fiscal Year Ended June 30, 2025**

	Actual Over				Over
	Prior	Current	Total	Budget	(Under)
	Years	Year			Budget
REVENUES					
Intergovernmental:					
NC Department of Natural Resources	\$ 47,131,283	\$ -	\$ 47,131,283	\$ 53,578,755	\$ (6,447,472)
Developer participation	-	3,227,140	3,227,140	3,442,217	(215,077)
Total revenues	<u>47,131,283</u>	<u>3,227,140</u>	<u>50,358,423</u>	<u>57,020,972</u>	<u>(6,662,549)</u>
OTHER FINANCING SOURCES					
Transfers from:					
Water and sewer operating fund	670,192,220	106,560,000	776,752,220	776,752,220	-
Issuance of debt	170,369,306	93,500,000	263,869,306	702,860,678	(438,991,372)
Total other financing sources	<u>840,561,526</u>	<u>200,060,000</u>	<u>1,040,621,526</u>	<u>1,479,612,898</u>	<u>(438,991,372)</u>
Total revenues and other financing sources	<u>\$ 887,692,809</u>	<u>\$ 203,287,140</u>	<u>\$ 1,090,979,949</u>	1,536,633,870	<u>\$ (445,653,921)</u>
Fund balance appropriated				14,401,000	
				<u>\$ 1,551,034,870</u>	
EXPENDITURES					
Water capital projects	\$ 168,242,011	\$ 62,168,149	\$ 230,410,160	\$ 541,461,780	\$ (311,051,620)
Sewer capital projects	489,027,129	71,667,015	560,694,144	1,009,573,090	(448,878,946)
Total expenditures	<u>657,269,140</u>	<u>133,835,164</u>	<u>791,104,304</u>	<u>1,551,034,870</u>	<u>(759,930,566)</u>
Total expenditures and other financing uses	<u>\$ 657,269,140</u>	<u>\$ 133,835,164</u>	<u>\$ 791,104,304</u>	<u>\$ 1,551,034,870</u>	<u>\$ (759,930,566)</u>

Schedule of Revenues and Expenditures Budget (Modified Accrual Basis) and Actual Water and Sewer Funds For the Fiscal Year Ended June 30, 2025

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	\$ 361,641,050
Water and sewer capital projects fund	203,287,140
Total current year expenditures and other financing uses - modified accrual basis:	
Water and sewer operating fund	(330,395,095)
Water and sewer capital projects fund	(133,835,164)
Excess of revenues and other financing sources over expenditures and other financing uses	100,697,931
Adjustments to full accrual basis:	
Amortization of deferred refunding charges	(1,334,816)
Amortization of bond premiums and discounts	2,856,164
Bond and note proceeds	(93,500,000)
Bond and note principal payments	42,020,622
Lease proceeds	91,472
Lease principal payments	596,860
IT Subscription principal payments	1,420,191
Capital contributions	60,787,867
Capital outlay	134,085,090
Depreciation and amortization	(59,034,164)
Interest expense accrual	411,103
Compensated absences	(39,229)
Increase (decrease) in deferred outflows of resources - LGERS	(4,123,019)
(Increase) decrease in deferred inflows of resources - LGERS	20,121
(Increase) decrease in pension liability - LGERS	795,188
Increase (decrease) in deferred outflows of resources - OPEB	427,318
(Increase) decrease in deferred inflows of resources - OPEB	(88,611)
(Increase) decrease in pension liability - OPEB	410,748
Change in net position per statement of revenues, expenses and changes in fund net position	<u>\$ 186,500,836</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, 2025**

	<u>Actual</u>	<u>Budget</u>	<u>Over (Under) Budget</u>
REVENUES			
User charges:			
Convention and civic center	\$ 10,028,314	\$ 8,027,069	\$ 2,001,245
Performing arts center	8,499,177	7,403,565	1,095,612
Red Hat amphitheater	3,390,985	2,848,500	542,485
Special events	87,731	108,360	(20,629)
Total user charges	<u>22,006,207</u>	<u>18,387,494</u>	<u>3,618,713</u>
Miscellaneous Other	1,353,796	1,115,625	238,171
Gain (loss) on investments	109,602	41,588	68,014
Total revenues	<u>23,469,605</u>	<u>19,544,707</u>	<u>3,924,898</u>
OTHER FINANCING SOURCES			
Transfers from:			
General fund	1,881,766	1,881,766	-
Convention center financing fund	30,609,563	30,609,563	-
Refunding bonds issued	158,823,725	-	158,823,725
Bond proceeds	490,807	-	490,807
Lease liabilities issued	860,244	860,244	-
Total other financing sources	<u>192,666,105</u>	<u>33,351,573</u>	<u>159,314,532</u>
Total revenues and other financing sources	<u>\$ 216,135,710</u>	52,896,280	<u>\$ 163,239,430</u>
Fund balance appropriated		10,147,251	
		<u>\$ 63,043,531</u>	
EXPENDITURES			
Civic and convention center	\$ 13,458,896	\$ 14,740,138	\$ (1,281,242)
Performing arts center	8,748,231	9,908,220	(1,159,989)
Red Hat amphitheater	2,977,465	3,202,538	(225,073)
Special events	224,558	254,003	(29,445)
Total operating expenditures	<u>25,409,150</u>	<u>28,104,899</u>	<u>(2,695,749)</u>
DEBT SERVICE			
Principal	11,490,787	18,430,734	(6,939,947)
Interest	7,118,266	7,632,157	(513,891)
Total debt service	<u>18,609,053</u>	<u>26,062,891</u>	<u>(7,453,838)</u>
OTHER FINANCING USES			
Transfers to:			
Convention center and performing arts complex projects fund	8,875,741	8,875,741	-
Payment to refunded bond escrow agent	158,823,725	-	158,823,725
Total other financing uses	<u>167,699,466</u>	<u>8,875,741</u>	<u>158,823,725</u>
Total expenditures and other financing uses	<u>\$ 211,717,669</u>	<u>\$ 63,043,531</u>	<u>\$ 148,674,138</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, 2025**

	Actual				Over (Under) Budget
	Prior Years	Current Year	Total	Budget	
OTHER FINANCING SOURCES					
Transfers from:					
General Fund	\$ 1,930,000	\$ 1,511,000	\$ 3,441,000	\$ 3,441,000	\$ -
Convention center operating fund	5,188,140	4,750,000	9,938,140	9,938,140	-
Convention center financing fund	4,225,000	1,000,000	5,225,000	5,225,000	-
Total revenues and other financing sources	\$ 11,343,140	\$ 7,261,000	\$ 18,604,140	\$ 18,604,140	\$ -
EXPENDITURES					
Convention center and performing arts complex projects	\$ 3,869,339	\$ 2,499,570	\$ 6,368,909	\$ 18,604,140	\$ (12,235,231)

**Schedule of Revenues and Expenditures
Budget (Modified Accrual Basis) and Actual
Convention Center Complex Capital Projects Fund
For the Fiscal Year Ended June 30, 2025**

	Actual				Over (Under) Budget
	Prior Years	Current Year	Total	Budget	
OTHER FINANCING SOURCES					
Transfers from:					
Convention center financing fund	\$ 18,816,551	\$ 3,200,000	\$ 22,016,551	\$ 22,016,551	\$ -
Convention center operating fund	4,325,000	-	4,325,000	4,325,000	-
Total revenues and other financing sources	\$ 23,141,551	\$ 3,200,000	\$ 26,341,551	26,341,551	\$ -
Fund balance appropriated				-	
				\$ 26,341,551	
EXPENDITURES					
Convention center projects	\$ 9,291,369	\$ 1,882,993	\$ 11,174,362	\$ 18,341,551	\$ (7,167,189)
OTHER FINANCING USES					
Transfers to:					
Convention center expansion projects fund	8,000,000	-	8,000,000	8,000,000	-
Total expenditures and other financing uses	\$ 17,291,369	\$ 1,882,993	\$ 19,174,362	\$ 26,341,551	\$ (7,167,189)

**Schedule of Revenues and Expenditures
Budget (Modified Accrual Basis) and Actual
Convention Center Expansion Projects Fund
For the Fiscal Year Ended June 30, 2025**

	Prior Years	Actual Current Year	Total	Budget	Over (Under) Budget
OTHER FINANCING SOURCES					
Transfers from:					
Convention center complex capital project fund	\$ 8,000,000	\$ -	\$ 8,000,000	\$ 8,000,000	\$ -
Convention center operating fund	-	4,125,741	4,125,741	4,125,741	
General fund	-	7,300,000	7,300,000	7,300,000	
Walnut creek amphitheater projects fund	1,773,453	500,000	2,273,453	2,273,453	-
Bond proceeds	-	-	-	387,500,000	(387,500,000)
Total other financing sources	\$ 9,773,453	\$ 11,925,741	\$ 21,699,194	\$ 409,199,194	\$ (387,500,000)
EXPENDITURES					
RCC expansion capital projects	\$ 4,323,269	\$ 9,214,187	\$ 13,537,456	\$ 409,199,194	\$ (395,661,738)

Schedule of Revenues and Expenditures Budget (Modified Accrual Basis) and Actual Convention Center Funds For the Fiscal Year Ended June 30, 2025

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	\$ 216,135,710
Convention center and performing arts complex projects fund	7,261,000
Convention center complex capital projects fund	3,200,000
Convention center expansion capital projects fund	11,925,741

Total current expenditures and other financing uses - modified accrual basis

Convention center and performing arts complex operating fund	(211,717,669)
Convention center and performing arts complex projects fund	(2,499,570)
Convention center complex capital projects fund	(1,882,993)
Convention center expansion capital projects fund	<u>(9,214,187)</u>

Excess of revenues and other financing sources under expenditures and other financing uses 13,208,032

Adjustments to full accrual basis:

Amortization of deferred refunding charges	5,479,271
Amortization of premiums and discounts	(5,476,908)
Bond and note principal payments	11,115,734
Lease principal payments	307,711
IT subscription principal payments	67,342
Capital outlay	13,587,936
Depreciation and amortization	(9,303,033)
Interest expense accrual	433,772
Compensated absences	(115,235)
Increase (decrease) in deferred outflows of resources - LGERS	(742,506)
(Increase) decrease in deferred inflows of resources - LGERS	3,624
(Increase) decrease in pension liability - LGERS	143,204
Increase (decrease) in deferred outflows of resources - OPEB	76,955
(Increase) decrease in deferred inflows of resources - OPEB	(15,958)
(Increase) decrease in pension liability - OPEB	<u>73,971</u>

Change in net position per statement of revenues, expenses and changes in net position \$ 28,843,912

**Schedule of Revenues and Expenditures
Budget (Modified Accrual Basis) and Actual
Mass Transit Fund
For the Fiscal Year Ended June 30, 2025**

	Prior Years	Actual Current Year	Total	Budget	Over (Under) Budget
REVENUES					
Farebox	\$ -	\$ 2,125,217	\$ 2,125,217	\$ 3,800,000	\$ (1,674,783)
ART program fees	-	33,395	33,395	33,395	-
Intergovernmental revenue:					
Federal Transit Administration	73,167,073	8,787,772	81,954,845	148,155,262	(66,200,417)
State of North Carolina	-	3,041,187	3,041,187	3,000,000	41,187
Wake Transit	62,140,691	35,962,873	98,103,564	376,532,631	(278,429,067)
Miscellaneous other	-	280,828	280,828	303,182	(22,354)
Total revenues	135,307,764	50,231,272	185,539,036	531,824,470	(346,285,434)
OTHER FINANCING SOURCES					
Gain (loss) on disposal of capital assets	-	1,136	1,136	1,136	-
Transfers from:					
General fund	7,517,755	26,183,850	33,701,605	33,701,605	-
Street bond fund	158,274	-	158,274	158,274	-
Street improvement fund	516,229	-	516,229	516,229	-
Grants fund	33,170	-	33,170	33,170	-
Lease liabilities issued	-	53,825	53,825	53,825	-
Total other financing sources	8,225,428	26,238,811	34,464,239	34,464,239	-
Total revenues and other financing sources	\$ 143,533,192	\$ 76,470,083	\$ 220,003,275	566,288,709	\$ (346,285,434)
Fund balance appropriated				1,216,428	
				\$ 567,505,137	
EXPENDITURES					
Mass transit operating expenditures	\$ -	\$ 22,436,833	\$ 22,436,833	\$ 28,689,678	\$ (6,252,845)
ART program operating expenditures	-	1,294,336	1,294,336	5,661,922	(4,367,586)
Capital grant expenditures	100,666,522	10,102,311	110,768,833	311,284,541	(200,515,708)
Wake Transit operating expenditures	-	28,464,251	28,464,251	30,346,672	(1,882,421)
Wake Transit capital expenditures	34,716,705	15,365,639	50,082,344	191,520,892	(141,438,548)
Interest expense	-	1,432	1,432	1,432	-
Total expenditures	135,383,227	77,664,802	213,048,029	567,505,137	(354,457,108)
Total expenditures and other financing uses	\$ 135,383,227	\$ 77,664,802	\$ 213,048,029	\$ 567,505,137	\$ (354,457,108)

**Schedule of Revenues and Expenditures
Budget (Modified Accrual Basis) and Actual
Mass Transit Fund
For the Fiscal Year Ended June 30, 2025**

RECONCILIATION OF MODIFIED ACCRUAL BASIS TO FULL ACCRUAL BASIS:

Total current year revenues and other financing sources - modified accrual basis	\$ 76,470,083
Total current year expenditures and other financing uses - modified accrual basis	<u>(77,664,802)</u>
Deficiency of revenues and other financing sources under expenditures and other financing uses	(1,194,719)
Adjustments to full accrual basis:	
Lease principal payments	13,457
IT Subscription principal payments	-
Capital outlay	15,746,173
Depreciation and amortization	(8,920,504)
Interest expense accrual	(868)
Compensated absences	10,643
Increase (decrease) in deferred outflows of resources - LGERS	(144,879)
(Increase) decrease in deferred inflows of resources - LGERS	707
(Increase) decrease in pension liability - LGERS	27,942
Increase (decrease) in deferred outflows of resources - OPEB	15,015
(Increase) decrease in deferred inflows of resources - OPEB	(3,113)
(Increase) decrease in pension liability - OPEB	<u>14,433</u>
Change in net position per statement of revenues, expenses, and changes in fund net position	<u>\$ 5,564,287</u>

**Schedule of Revenues and Expenditures
Budget (Modified Accrual Basis) and Actual
Stormwater Utility Operating Fund
For the Fiscal Year Ended June 30, 2025**

	Actual	Budget	Over (Under) Budget
REVENUES			
User charges	\$ 37,890,428	\$ 38,451,753	\$ (561,325)
Gain (loss) on investments	1,918,664	704,215	1,214,449
Miscellaneous other	182,737	50,000	132,737
Total revenues	39,991,829	39,205,968	785,861
OTHER FINANCING SOURCES			
Lease liabilities issued	55,135	55,135	-
IT subscription liabilities issued	-	-	-
Total other financing sources	55,135	55,135	-
Total revenues and other financing sources	\$ 40,046,964	39,261,103	\$ 785,861
Fund balance appropriated		1,617,497	
		\$ 40,878,600	
EXPENDITURES			
Operating expenditures	\$ 23,850,734	\$ 26,467,758	\$ (2,617,024)
DEBT SERVICE			
Note principal	101,738	101,738	-
Lease principal	69,365	69,365	-
Lease interest	7,631	7,631	-
Total Debt Service	178,734	178,734	-
OTHER FINANCING USES			
Transfers to:			
Stormwater utility capital projects fund	13,875,000	13,875,000	-
Miscellaneous capital projects fund	50,000	50,000	-
General fund	307,108	307,108	-
Total other financing uses	14,232,108	14,232,108	-
Total expenditures and other financing uses	\$ 38,261,576	\$ 40,878,600	\$ (2,617,024)

**Schedule of Revenues and Expenditures
Budget (Modified Accrual Basis) and Actual
Stormwater Utility Capital Projects Fund
For the Fiscal Year Ended June 30, 2025**

	Actual				Over (Under) Budget
	Prior Years	Current Year	Total	Budget	
REVENUES					
Intergovernmental:					
NC Clean Water Management Trust	\$ 142,284	\$ 111,144	\$ 253,428	\$ 700,914	\$ (447,486)
Private grant	-	-	-	250,000	(250,000)
Miscellaneous other	-	3,984	3,984	-	3,984
Total revenues	142,284	115,128	257,412	950,914	(693,502)
OTHER FINANCING SOURCES					
Transfer from:					
Stormwater utility operating fund	55,193,267	13,875,000	69,068,267	69,068,267	-
Miscellaneous capital projects fund	101,715	100,000	201,715	201,715	-
Total other financing sources	55,294,982	13,975,000	69,269,982	69,269,982	-
Total revenues and other financing sources	\$ 55,437,266	\$ 14,090,128	\$ 69,527,394	70,220,896	\$ (693,502)
Fund balance appropriated				2,756,000	
				\$ 72,976,896	
EXPENDITURES					
Stormwater capital projects	\$ 19,723,443	\$ 14,251,541	\$ 33,974,984	\$ 72,976,896	\$ (39,001,912)
Total expenditures and other financing uses	\$ 19,723,443	\$ 14,251,541	\$ 33,974,984	\$ 72,976,896	\$ (39,001,912)

**Schedule of Revenues and Expenditures
Budget (Modified Accrual Basis) and Actual
Stormwater Utility Bond Fund
For the Fiscal Year Ended June 30, 2025**

	Actual				Over (Under) Budget
	Prior Years	Current Year	Total	Budget	
OTHER FINANCING SOURCES					
Transfers from:					
Stormwater utility operating fund	\$ 20,890	\$ -	\$ 20,890	\$ 20,890	\$ -
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, 2025

RECONCILIATION OF MODIFIED ACCRUAL BASIS TO FULL ACCRUAL BASIS:

Total current year revenues and other financing sources - modified accrual basis	
Stormwater utility operating fund	\$ 40,046,964
Stormwater utility capital projects fund	14,090,128
Stormwater utility bond fund	-
Total current year expenditures and other financing uses - modified accrual basis	
Stormwater utility operating fund	(38,261,576)
Stormwater utility capital projects fund	(14,251,541)
Stormwater utility bond fund	-
Excess of revenues and other financing sources under expenditures and other financing uses	1,623,975
Adjustments to full accrual basis:	
Note principal	101,738
Lease principal payments	69,365
Capital outlay	14,186,110
Depreciation and amortization	(5,830,343)
Interest expense accrual	(2,406)
Compensated absences	(22,153)
Increase (decrease) in deferred outflows of resources - LGERS	(899,458)
(Increase) decrease in deferred inflows of resources - LGERS	4,390
(Increase) decrease in pension liability - LGERS	173,474
Increase (decrease) in deferred outflows of resources - OPEB	93,222
(Increase) decrease in deferred inflows of resources - OPEB	(19,331)
(Increase) decrease in pension liability - OPEB	89,607
Change in net position per statement of revenues, expenses, and changes in fund net position	<u>\$ 9,568,190</u>

**Schedule of Revenues and Expenditures
Budget (Modified Accrual Basis) and Actual
Parking Facilities Operating Fund
For the Fiscal Year Ended June 30, 2025**

	<u>Actual</u>	<u>Budget</u>	<u>Over (Under) Budget</u>
REVENUES			
Parking fees	\$ 15,871,665	\$ 15,069,170	\$ 802,495
Gain (loss) on investments	283,717	110,901	172,816
Miscellaneous other	58,642	43,860	14,782
Total operating revenues	16,214,024	15,223,931	990,093
OTHER FINANCING SOURCES			
Transfers from:			
General fund	2,738,788	2,738,788	-
Proceeds on sale of capital assets	41,173	-	41,173
Refunding bonds issued	13,126,826	-	13,126,826
Lease liabilities issued	8,253	8,253	-
IT subscription liabilities issued	56,470	56,470	-
Total other financing sources	15,971,510	2,803,511	13,167,999
Total revenues and other financing sources	\$ 32,185,534	18,027,442	\$ 14,158,092
Fund balance appropriated		76,765	
		\$ 18,104,207	
EXPENDITURES			
Operating expenditures	\$ 8,499,250	\$ 10,356,692	\$ (1,857,442)
DEBT SERVICE			
Note principal	4,313,276	4,313,276	-
Note interest	1,875,307	1,923,351	(48,044)
Lease principal	74,388	74,388	-
Lease interest	11,084	11,084	-
IT Subscriptions principal	109,592	109,592	-
IT Subscriptions interest	2,418	2,418	-
Other debt service expenditures	232,494	225,000	7,494
Total debt service	6,618,559	6,659,109	(40,550)
OTHER FINANCING USES			
Transfers to:			
General debt service fund	-	578,406	(578,406)
Parking facilities capital projects fund	510,000	510,000	-
Payment to refunded bond escrow agent	13,126,826	-	13,126,826
Total other financing uses	13,636,826	1,088,406	12,548,420
Total expenditures and other financing uses	\$ 28,754,635	\$ 18,104,207	\$ 10,650,428

**Schedule of Revenues and Expenditures
Budget (Modified Accrual Basis) and Actual
Parking Facilities Capital Projects Fund
For the Fiscal Year Ended June 30, 2025**

	Prior Current	Actual Current Year	Total	Budget	Over (Under) Budget
OTHER FINANCING SOURCES					
Transfers from:					
Parking facilities operating fund	\$ 4,894,360	\$ 510,000	\$ 5,404,360	\$ 5,404,360	\$ -
Total other financing sources	<u>4,894,360</u>	<u>510,000</u>	<u>5,404,360</u>	<u>5,404,360</u>	<u>-</u>
 Total revenue and other financing sources	 <u>\$ 4,894,360</u>	 <u>\$ 510,000</u>	 <u>\$ 5,404,360</u>	5,404,360	<u>\$ -</u>
Fund balance appropriated				3,176,829	
				<u>\$ 8,581,189</u>	
 EXPENDITURES					
Parking facilities capital projects	<u>\$ 3,105,164</u>	<u>\$ 441,382</u>	<u>\$ 3,546,546</u>	<u>\$ 8,581,189</u>	<u>\$ (5,034,643)</u>

Schedule of Revenues and Expenditures Budget (Modified Accrual Basis) and Actual Parking Facilities Funds For the Fiscal Year Ended June 30, 2025

RECONCILIATION OF MODIFIED ACCRUAL BASIS TO FULL ACCRUAL BASIS:

Total current year revenues and other financing sources - modified accrual basis	
Parking facilities operating fund	\$ 32,185,534
Parking facilities capital projects fund	510,000
Total current year expenditures and other financing uses - modified accrual basis	
Parking facilities operating fund	(28,754,635)
Parking facilities capital projects fund	<u>(441,382)</u>
Excess of revenues and other financing sources over expenditures and other financing uses	3,499,517
Adjustments to full accrual basis:	
Amortization of deferred refunding charges	44,452
Amortization of bond premiums and discounts	227,143
Bond and note proceeds	(42,008)
Bond and note principal payments	4,313,276
Lease proceeds (payments)	229,968
Lease principal payments	74,358
IT Subscription principal payments	109,592
Capital outlay	441,382
Depreciation and amortization	(4,554,314)
Interest expense accrual	22,167
Compensated absences	(461)
Increase (decrease) in deferred outflows of resources - LGERS	(229,392)
(Increase) decrease in deferred inflows of resources - LGERS	1,119
Increase (decrease) in pension liability - LGERS	44,242
Increase (decrease) in deferred outflows of resources - OPEB	23,775
(Increase) decrease in deferred inflows of resources - OPEB	(4,930)
Increase (decrease) in pension liability - OPEB	<u>22,853</u>
Change in net position per statement of revenues, expenses, and changes in fund net position	<u>\$ 4,222,739</u>

**Schedule of Revenues and Expenditures
Budget (Modified Accrual Basis) and Actual
Solid Waste Services Fund
For the Fiscal Year Ended June 30, 2025**

	<u>Actual</u>	<u>Budget</u>	<u>Over (Under) Budget</u>
REVENUES			
Solid waste residential collection	\$ 22,848,119	\$ 22,523,587	\$ 324,532
Recycling residential collection	12,717,869	12,599,911	117,958
Yardwaste center	9,899,471	9,815,404	84,067
Total revenues	<u>45,465,459</u>	<u>44,938,902</u>	<u>526,557</u>
OTHER FINANCING SOURCES			
Other revenue	755,503	739,239	16,264
Transfer from:			
General fund	4,424,005	5,898,673	(1,474,668)
Lease liabilities issued	129,780	-	129,780
Total other financing sources	<u>5,309,288</u>	<u>6,637,912</u>	<u>(1,328,624)</u>
Total revenues and other financing sources	<u>\$ 50,774,747</u>	51,576,814	<u>\$ (802,067)</u>
Fund balance appropriated		5,117,286	
		<u>\$ 56,694,100</u>	
EXPENDITURES			
Administration	\$ 12,488,677	\$ 15,011,987	\$ (2,523,310)
Residential collection	6,525,531	7,217,308	(691,777)
Residential recycling	22,803,754	26,593,667	(3,789,913)
Yardwaste center	4,589,386	4,921,792	(332,406)
	<u>46,407,348</u>	<u>53,744,754</u>	<u>(7,337,406)</u>
DEBT SERVICE			
Note principal	808,162	808,162	-
Note interest	268,411	326,184	(57,773)
	<u>1,076,573</u>	<u>1,134,346</u>	<u>(57,773)</u>
Total expenditures	<u>47,483,921</u>	<u>54,879,100</u>	<u>(7,395,179)</u>
OTHER FINANCING USES			
Transfers to:			
Solid waste services capital fund	1,800,000	1,800,000	-
Miscellaneous capital improvements fund	15,000	15,000	-
Total other financing uses	<u>1,815,000</u>	<u>1,815,000</u>	<u>-</u>
Total expenditures and other financing uses	<u>\$ 49,298,921</u>	<u>\$ 56,694,100</u>	<u>\$ (7,395,179)</u>

**Schedule of Revenues and Expenditures
Budget (Modified Accrual Basis) and Actual
Solid Waste Services Capital Fund
For the Fiscal Year Ended June 30, 2025**

	Actual				Over (Under) Budget
	Prior Years	Current Year	Total	Budget	
OTHER FINANCING SOURCES					
Transfers from:					
Solid waste services operations fund	\$ -	\$ 1,800,000	\$ 1,800,000	\$ 1,800,000	\$ -
Bond proceeds	-	-	-	700,000	(700,000)
Total other financing sources	\$ -	\$ 1,800,000	\$ 1,800,000	\$ 2,500,000	\$ (700,000)
EXPENDITURES					
Solid waste services capital projects	\$ -	\$ -	\$ -	\$ 2,500,000	\$ (2,500,000)

Schedule of Revenues and Expenditures Budget (Modified Accrual Basis) and Actual Solid Waste Services Fund For the Fiscal Year Ended June 30, 2025

RECONCILIATION OF MODIFIED ACCRUAL BASIS TO FULL ACCRUAL BASIS:

Total current year revenues and other financing sources - modified accrual basis	
Solid waste services operating fund	\$ 50,774,747
Solid waste services capital projects fund	1,800,000
Total current year expenditures and other financing uses - modified accrual basis	
Solid waste services operating fund	(49,298,921)
Solid waste services capital projects fund	-
Excess of revenues and other financing sources over expenditures and other financing uses	3,275,826
Adjustments to full accrual basis:	
Amortization of deferred refunding charges	(17,614)
Amortization of bond premiums and discounts	125,277
Bond and note principal payments	808,162
Lease principal payments	59,046
Depreciation and amortization	(789,540)
Interest expense accrual	7,152
Landfill closure/postclosure liability adjustment	(917,572)
Compensated absences	67,891
Increase (decrease) in deferred outflows of resources - LGERS	(1,255,619)
(Increase) decrease in deferred inflows of resources - LGERS	6,128
(Increase) decrease in pension liability - LGERS	242,166
Increase (decrease) in deferred outflows of resources - OPEB	130,135
(Increase) decrease in deferred inflows of resources - OPEB	(26,985)
(Increase) decrease in pension liability - OPEB	125,089
Change in net position per statement of revenues, expenses, and changes in fund net position	<u>\$ 1,839,542</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.



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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, 2025**

	Risk Management Fund	Employees' Health Benefits Fund	Governmental Equipment Replacement Fund	Solid Waste Services Equipment Replacement Fund
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 55,408,273	\$ 35,579,389	\$ 15,290,563	\$ 6,371,263
Due from other funds	-	-	15,020	30,417
Accrued interest receivable	682,464	121,723	-	-
Other receivables and assets	476	-	3,565,222	190,952
Sales tax receivable	513	-	446,143	415,220
Inventories	-	-	-	-
Insurance deposit	420,000	-	-	-
Total current assets	56,511,726	35,701,112	19,316,948	7,007,852
Noncurrent assets:				
Restricted cash and cash equivalents	-	-	34,237,632	3,848,184
Capital assets:				
Buildings and machinery	-	-	-	-
Buses	-	-	532,366	-
Equipment	-	-	149,358,240	52,541,270
Intangible right to use lease asset	7,492	-	-	-
Less accumulated depreciation and amortization	(6,763)	-	(107,009,838)	(34,328,747)
Total noncurrent assets	729	-	77,118,400	22,060,707
Total assets	56,512,455	35,701,112	96,435,348	29,068,559
DEFERRED OUTFLOWS OF RESOURCES				
Pension deferrals - LGERS	67,949	-	-	-
OPEB deferrals	26,236	-	-	-
Total deferred outflows of resources	94,185	-	-	-
LIABILITIES				
Current liabilities:				
Accounts payable	458	109,858	3,583,333	-
Sales tax payable	-	-	-	-
Accrued salaries and employee payroll taxes	709	-	-	-
Accrued interest payable	13	-	137,754	35,125
Claims payable and other liabilities	7,833,628	3,199,000	-	-
Due to other funds	-	1,541	-	-
Compensated absences	18,111	-	-	-
Bonds, notes and loans payable, net of unamortized premiums and discounts	-	-	17,407,405	6,502,297
Contracts and other notes payable, net of unamortized premiums and discounts	490	-	-	-
Total current liabilities	7,853,409	3,310,399	21,128,492	6,537,422
Noncurrent liabilities:				
Claims payable and other liabilities	14,366,556	-	-	-
Bonds, notes and loans payable, net of unamortized premiums and discounts	-	-	50,472,753	10,451,124
Contracts and other notes payable, net of unamortized premiums and discounts	285	-	-	-
Compensated absences	2,872	-	-	-
Net pension liability - LGERS	267,951	-	-	-
Net OPEB liability	301,049	-	-	-
Total noncurrent liabilities	14,938,713	-	50,472,753	10,451,124
Total liabilities	22,792,122	3,310,399	71,601,245	16,988,546
DEFERRED INFLOWS OF RESOURCES				
Pension deferrals - LGERS	17,419	-	-	-
OPEB deferrals	15,726	-	-	-
Total deferred inflows of resources	33,145	-	-	-
NET POSITION				
Net investment in capital assets	(46)	-	9,238,242	5,107,286
Unrestricted	33,781,419	32,390,713	15,595,861	6,972,727
Total net position	\$ 33,781,373	\$ 32,390,713	\$ 24,834,103	\$ 12,080,013

Combining Statement of Net Position

Internal Service Funds

June 30, 2025

	Public Utilities Equipment Replacement Fund	Vehicle Fleet Services Fund	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 7,313,449	\$ 2,706,206	\$ 122,669,143
Due from other funds	-	401	45,838
Accrued interest receivable	-	-	804,187
Other receivables and assets	-	-	3,756,650
Sales tax receivable	97,798	505,228	1,464,902
Inventories	-	914,816	914,816
Insurance deposit	-	-	420,000
Total current assets	7,411,247	4,126,651	130,075,536
Noncurrent assets:			
Restricted cash and cash equivalents	6,897,993	-	44,983,809
Capital assets:			
Buildings and machinery	-	230,912	230,912
Buses	-	-	532,366
Equipment	47,919,537	976,623	250,795,670
Intangible right to use lease asset	-	173,233	180,725
Less accumulated depreciation and amortization	(38,915,800)	(1,120,236)	(181,381,384)
Total noncurrent assets	15,901,730	260,532	115,342,098
Total assets	23,312,977	4,387,183	245,417,634
DEFERRED OUTFLOWS OF RESOURCES			
Pension deferrals - LGERS	-	898,658	966,607
OPEB deferrals	-	386,829	413,065
Total deferred outflows of resources	-	1,285,487	1,379,672
LIABILITIES			
Current liabilities:			
Accounts payable	802,604	779,101	5,275,354
Sales tax payable	-	137	137
Accrued salaries and employee payroll taxes	-	20,378	21,087
Accrued interest payable	24,954	1,633	199,479
Claims payable and other liabilities	-	-	11,032,628
Due to other funds	-	6,691	8,232
Compensated absences	-	225,470	243,581
Bonds, notes and loans payable, net of unamortized premiums and discounts	3,973,645	-	27,883,347
Contracts and other notes payable, net of unamortized premiums and discounts	-	29,758	30,248
Total current liabilities	4,801,203	1,063,168	44,694,093
Noncurrent liabilities:			
Claims payable and other liabilities	-	-	14,366,556
Bonds, notes and loans payable, net of unamortized premiums and discounts	8,505,146	-	69,429,023
Contracts and other notes payable, net of unamortized premiums and discounts	-	69,129	69,414
Compensated absences	-	199,679	202,551
Net pension liability - LGERS	-	3,710,495	3,978,446
Net OPEB liability	-	3,852,246	4,153,295
Total noncurrent liabilities	8,505,146	7,831,549	92,199,285
Total liabilities	13,306,349	8,894,717	136,893,378
DEFERRED INFLOWS OF RESOURCES			
Pension deferrals - LGERS	-	204,327	221,746
OPEB deferrals	-	169,382	185,108
Total deferred inflows of resources	-	373,709	406,854
NET POSITION			
Net investment in capital assets	3,422,939	161,645	17,930,066
Unrestricted	6,583,689	(3,757,401)	91,567,008
Total net position	\$ 10,006,628	\$ (3,595,756)	\$ 109,497,074

**Combining Statement of Revenues, Expenses
And Changes in Fund Net Position
Internal Service Funds
For the Fiscal Year Ended June 30, 2025**

	Risk Management Fund	Employees' Health Benefits Fund	Governmental Equipment Replacement Fund	Solid Waste Services Equipment Replacement Fund
Operating revenues				
Charges for services - internal	\$ 13,156,185	\$ 56,476,161	\$ 13,389,533	\$ 6,462,068
Other	-	-	-	-
Total operating revenues	13,156,185	56,476,161	13,389,533	6,462,068
Operating expenses				
Personnel services	464,547	-	-	-
Other operational expenses	1,387,646	4,773,925	677,826	60,723
Claims	6,281,374	50,775,181	-	-
Premiums	4,953,669	-	-	-
Depreciation and amortization	1,517	-	11,872,528	5,318,883
Total operating expenses	13,088,753	55,549,106	12,550,354	5,379,606
Operating income (loss)	67,432	927,055	839,179	1,082,462
Nonoperating revenue (expense)				
Gain (loss) on investments	7,672,884	1,411,403	92,866	100,867
Recovery of claims	320,120	2,856,554	-	-
Interest expense	(91)	-	(786,984)	(318,574)
Proceeds on sale of property	-	-	612,040	461,449
Total nonoperating revenue (expense)	7,992,913	4,267,957	(82,078)	243,742
Income (loss) before contributions and transfers	8,060,345	5,195,012	757,101	1,326,204
Transfers in	-	-	2,514,942	-
Change in net position	8,060,345	5,195,012	3,272,043	1,326,204
Net position, beginning of year	25,721,028	27,195,701	21,562,060	10,753,809
Net position, end of year	\$ 33,781,373	\$ 32,390,713	\$ 24,834,103	\$ 12,080,013

**Combining Statement of Revenues, Expenses
And Changes in Fund Net Position
Internal Service Funds
For the Fiscal Year Ended June 30, 2025**

	Public Utilities Equipment Replacement Fund	Vehicle Fleet Services Fund	Total
Operating revenues			
Charges for services - internal	\$ 3,522,429	\$ 19,669,024	\$ 112,675,400
Other	-	11,141	11,141
Total operating revenues	3,522,429	19,680,165	112,686,541
Operating expenses			
Personnel services	-	7,031,414	7,495,961
Other operational expenses	182,353	12,661,744	19,744,217
Claims	-	-	57,056,555
Premiums	-	-	4,953,669
Depreciation and amortization	2,800,155	64,733	20,057,816
Total operating expenses	2,982,508	19,757,891	109,308,218
Operating income (loss)	539,921	(77,726)	3,378,323
Nonoperating revenue (expense)			
Gain (loss) on investments	94,279	-	9,372,299
Recovery of claims	-	-	3,176,674
Interest expense	(165,441)	(4,793)	(1,275,883)
Proceeds on sale of property	397,685	19,197	1,490,371
Total nonoperating revenue (expense)	326,523	14,404	12,763,461
Income (loss) before contributions and transfers	866,444	(63,322)	16,141,784
Transfers in	-	-	2,514,942
Change in net position	866,444	(63,322)	18,656,726
Net position, beginning of year	9,140,184	(3,532,434)	90,840,348
Net position, end of year	\$ 10,006,628	\$ (3,595,756)	\$ 109,497,074

Combining Statement of Cash Flows

Internal Service Funds

For the Fiscal Year Ended June 30, 2025

	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	\$ 13,156,185	\$ 56,476,161	\$ 13,389,533	\$ 6,462,068
Payments to employees	(442,968)	-	-	-
Payments to suppliers and service providers	(1,396,670)	(4,676,649)	(676,297)	185,056
Claims paid	(4,923,385)	(50,847,181)	-	-
Premiums paid	(4,953,669)	-	-	-
Other receipts	-	-	-	-
Other payments	(476)	-	(1,911,062)	(190,952)
Net cash provided by (used in) operating activities	1,439,017	952,331	10,802,174	6,456,172
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Operating subsidies and transfers from other funds	-	-	2,514,942	-
Claims recovery	320,120	2,856,554	-	-
Internal activity - payments from (to) other funds	-	19,574	(14,650)	(30,491)
Net cash provided by (used in) noncapital financing activities	320,120	2,876,128	2,500,292	(30,491)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchase and construction of capital assets	-	-	(13,572,718)	(7,822,291)
Proceeds from capital debt	-	-	48,326,522	7,189,734
Principal paid on capital debt	-	-	(8,185,668)	(5,068,253)
Interest paid on capital debt	-	-	(715,127)	(314,324)
Lease proceeds (payments)	(264)	-	-	-
Proceeds from the sale of capital assets	-	-	612,040	461,449
Net cash provided by (used in) capital and related financing activities	(264)	-	26,465,049	(5,553,685)
CASH FLOWS FROM INVESTING ACTIVITIES				
Gain (loss) on investments held	7,631,650	1,403,194	92,866	100,867
Net cash provided by (used in) investing activities	7,631,650	1,403,194	92,866	100,867
Net increase (decrease) in cash and cash equivalents	9,390,523	5,231,653	39,860,381	972,863
Cash and cash equivalents - beginning of year	46,017,750	30,347,736	9,667,814	9,246,584
Cash and cash equivalents - end of year	\$ 55,408,273	\$ 35,579,389	\$ 49,528,195	\$ 10,219,447
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating income (loss)	\$ 67,432	\$ 927,055	\$ 839,179	\$ 1,082,462
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation and amortization expense	1,517	-	11,872,528	5,318,883
Change in assets, liabilities, deferred inflows and outflows:				
Sales tax receivable	(223)	-	2,418	262,399
Inventories	-	-	-	-
Other receivables and assets	(476)	-	(1,911,062)	(190,952)
Accounts payable and other accrued liabilities	1,349,189	25,276	(889)	(16,620)
(Increase) decrease in deferred outflows of resources - LGERS	36,220	-	-	-
Increase (decrease) in deferred inflows of resources - LGERS	(177)	-	-	-
Increase (decrease) in pension liability - LGERS	(6,986)	-	-	-
(Increase) decrease in deferred outflows of resources - OPEB	(3,754)	-	-	-
Increase (decrease) in deferred inflows of resources - OPEB	778	-	-	-
Increase (decrease) in OPEB liability	(3,608)	-	-	-
Compensated absences and other payroll liabilities	(895)	-	-	-
Total adjustments	1,371,585	25,276	9,962,995	5,373,710
Net cash provided by (used in) operating activities	\$ 1,439,017	\$ 952,331	\$ 10,802,174	\$ 6,456,172
Noncash investing, capital, and financing activities:				
Acquisition of capital assets through leases	\$ -	\$ -	\$ -	\$ -

Combining Statement of Cash Flows

Internal Service Funds

For the Fiscal Year Ended June 30, 2025

	Public Utilities Equipment Replacement Fund	Vehicle Fleet Services Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 3,522,429	\$ 19,669,024	\$ 112,675,400
Payments to employees	-	(6,699,845)	(7,142,813)
Payments to suppliers and service providers	(202,937)	(12,857,186)	(19,624,683)
Claims paid	-	-	(55,770,566)
Premiums paid	-	-	(4,953,669)
Other receipts	-	11,141	11,141
Other payments	-	15,425	(2,087,065)
Net cash provided by (used in) operating activities	3,319,492	138,559	23,107,745
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Operating subsidies and transfers from other funds	-	-	2,514,942
Claims recovery	-	-	3,176,674
Internal activity - payments from (to) other funds	(296)	6,290	(19,573)
Net cash provided by (used in) noncapital financing activities	(296)	6,290	5,672,043
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchase and construction of capital assets	(4,692,621)	42,658	(26,044,972)
Proceeds from capital debt	7,649,760	-	63,166,016
Principal paid on capital debt	(2,499,528)	-	(15,753,449)
Interest paid on capital debt	(155,772)	-	(1,185,223)
Lease proceeds (payments)	-	(79,465)	(79,729)
Proceeds from the sale of capital assets	397,685	19,197	1,490,371
Net cash provided by (used in) capital and related financing activities	699,524	(17,610)	21,593,014
CASH FLOWS FROM INVESTING ACTIVITIES			
Gain (loss) on investments held	94,279	-	9,322,856
Net cash provided by (used in) investing activities	94,279	-	9,322,856
Net increase (decrease) in cash and cash equivalents	4,112,999	127,239	59,695,658
Cash and cash equivalents - beginning of year	10,098,443	2,578,967	107,957,294
Cash and cash equivalents - end of year	\$ 14,211,442	\$ 2,706,206	\$ 167,652,952
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating income (loss)	\$ 539,921	\$ (77,726)	\$ 3,378,323
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation and amortization expense	2,800,155	64,734	20,057,817
Change in assets, liabilities, deferred inflows and outflows:			
Sales tax receivable	(20,584)	33,067	277,077
Inventories	-	(138,247)	(138,247)
Other receivables and assets	-	15,425	(2,087,065)
Accounts payable and other accrued liabilities	-	(90,262)	1,266,694
(Increase) decrease in deferred outflows of resources - LGERS	-	482,930	519,150
Increase (decrease) in deferred inflows of resources - LGERS	-	(2,357)	(2,534)
Increase (decrease) in pension liability - LGERS	-	(93,141)	(100,127)
(Increase) decrease in deferred outflows of resources - OPEB	-	(50,052)	(53,806)
Increase (decrease) in deferred inflows of resources - OPEB	-	10,379	11,157
Increase (decrease) in OPEB liability	-	(48,111)	(51,719)
Compensated absences and other payroll liabilities	-	31,920	31,025
Total adjustments	2,779,571	216,285	19,729,422
Net cash provided by (used in) operating activities	\$ 3,319,492	\$ 138,559	\$ 23,107,745
Noncash investing, capital, and financing activities:			
Acquisition of capital assets through leases	\$ -	\$ 84,761	\$ 84,761



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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 three pension trust funds, which account for activities of the City's general supplemental retirement plan, Law enforcement officers' special separation allowance pension benefits, and other post employment benefits.



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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.

Law Enforcement Officers' Special Separation Allowance Pension Benefit Trust Fund

The Law Enforcement Officers' Special Separation Allowance Pension Benefit Trust Fund accounts for the City's contributions and retirees' contributions to retirement benefits provided to eligible sworn law enforcement officers.

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 Fiduciary Net Position June 30, 2025

	Supplemental Money Purchase Pension Plan	LEOSSA Pension Benefit Trust	Other Post Employment Benefits Trust	Total
ASSETS				
Cash and cash equivalents	\$ 116,599,266	\$ 18,009,200	\$ 105,383,897	\$ 239,992,363
Total assets	116,599,266	18,009,200	105,383,897	239,992,363
LIABILITIES				
Claims payable	-	-	1,271,000	1,271,000
Accounts payable	-	-	3,283	3,283
Total liabilities	-	-	1,274,283	1,274,283
NET POSITION				
Restricted for pensions	116,599,266	18,009,200	-	134,608,466
Restricted for postemployment benefits other than pensions	-	-	104,109,614	104,109,614
Total net position	\$ 116,599,266	\$ 18,009,200	\$ 104,109,614	\$ 238,718,080

Combining Statement of Changes In Fiduciary Net Position For the Fiscal Year Ended June 30, 2025

	Supplemental Money Purchase Pension Plan	LEOSSA Pension Benefit Trust	Other Post Employment Benefits Trust	Total
ADDITIONS				
Contributions:				
Employer contributions	\$ 7,125,999	\$ 13,285,742	\$ 25,629,980	\$ 46,041,721
Retiree contributions	-	-	3,375,836	3,375,836
Total contributions	7,125,999	13,285,742	29,005,816	49,417,557
Investment income:				
Net increase (decrease) in the fair value of investments	10,297,378	1,413,204	10,377,847	22,088,429
Interest	2,287,312	142,983	1,836,903	4,267,198
Total investment income	12,584,690	1,556,187	12,214,750	26,355,627
Investment expense	(191,928)	-	-	(191,928)
Net investment income	12,392,762	1,556,187	12,214,750	26,163,699
Recovery of claims	-	-	1,186,435	1,186,435
Total additions	19,518,761	14,841,929	42,407,001	76,767,691
DEDUCTIONS				
Benefits and withdrawals	6,512,650	5,489,700	21,218,662	33,221,012
Professional services	-	-	49,717	49,717
Total deductions	6,512,650	5,489,700	21,268,379	33,270,729
Change in net position restricted for employees' retirement and other post-employment benefits	13,006,111	9,352,229	21,138,622	43,496,962
Net position, beginning of year	103,593,155	8,656,971	82,970,992	195,221,118
Net position, end of year	\$ 116,599,266	\$ 18,009,200	\$ 104,109,614	\$ 238,718,080



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Statistical Section



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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.



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Statistical Schedules

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

Revenue Capacity

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

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)

	2016	2017	2018	2019	2020
Governmental activities:					
Net investment in capital assets	\$ 597,711	\$ 656,258	\$ 695,890	\$ 726,472	\$ 753,431
Restricted	346,933	382,018	363,161	339,274	346,843
Unrestricted ⁽¹⁾	107,327	39,911	(80,377)	5,194	5,424
Total governmental activities net position	1,051,971	1,078,187	978,674	1,070,940	1,105,698
Business-type activities:					
Net investment in capital assets	798,997	855,401	937,859	1,030,539	1,135,617
Unrestricted	374,419	433,114	389,162	428,920	466,638
Total business-type activities net position	1,173,416	1,288,515	1,327,021	1,459,459	1,602,255
Total government:					
Net investment in capital assets	1,396,708	1,511,659	1,633,749	1,757,011	1,889,048
Restricted	346,933	382,018	363,161	339,274	346,843
Unrestricted	481,746	473,025	308,785	434,114	472,062
Total government net position	\$ 2,225,387	\$ 2,366,702	\$ 2,305,695	\$ 2,530,399	\$ 2,707,953

⁽¹⁾ 2024 restated for implementation of new GASB pronouncement

Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)

	2021	2022	2023	2024	2025
Governmental activities:					
Net investment in capital assets	\$ 835,295	\$ 871,723	\$ 837,522	\$ 872,640	\$ 970,443
Restricted	316,075	347,818	456,560	512,061	303,893
Unrestricted ⁽¹⁾	20,009	48,174	128,030	232,077	491,864
Total governmental activities net position	1,171,379	1,267,715	1,422,112	1,616,778	1,766,200
Business-type activities:					
Net investment in capital assets	1,247,085	1,380,135	1,522,390	1,745,662	1,865,784
Unrestricted	489,107	523,131	531,307	531,903	651,029
Total business-type activities net position	1,736,192	1,903,266	2,053,697	2,277,565	2,516,813
Total government:					
Net investment in capital assets	2,082,380	2,251,858	2,359,912	2,618,302	2,836,227
Restricted	316,075	347,818	456,560	512,061	303,893
Unrestricted	509,116	571,305	659,337	766,761	1,142,893
Total government net position	\$ 2,907,571	\$ 3,170,981	\$ 3,475,809	\$ 3,897,124	\$ 4,283,013

Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)

	2016	2017	2018	2019	2020
Expenses					
Governmental activities:					
General government	\$ 46,408	\$ 47,446	\$ 53,954	\$ 54,954	\$ 63,137
Community development services	20,081	30,613	28,276	31,160	38,915
Public infrastructure	58,186	69,785	71,552	75,982	79,107
Public safety	156,680	167,155	168,747	177,817	191,128
Leisure services	66,795	63,483	62,672	65,734	67,911
Economic development programs	6,979	3,331	5,474	4,151	3,152
Interest on long-term debt	20,876	19,302	18,931	17,560	16,228
Total governmental activities expenses	376,005	401,115	409,606	427,358	459,578
Business-type activities:					
Water and sewer	152,921	162,002	169,217	175,882	182,430
Convention center	34,702	34,158	34,628	35,253	35,596
Mass transit	38,180	41,319	42,091	46,532	46,972
Parking facilities	12,404	12,506	12,989	13,699	13,754
Solid waste services	32,330	30,683	34,051	35,498	38,118
Stormwater	13,346	15,131	16,648	17,970	19,527
Total business-type activities	283,883	295,799	309,624	324,834	336,397
Total government expenses	\$ 659,888	\$ 696,914	\$ 719,230	\$ 752,192	\$ 795,975
Program Revenues					
Governmental activities:					
Charges for services:					
General government	\$ 13,564	\$ 21,427	\$ 22,895	\$ 26,142	\$ 26,927
Community development services	1,346	1,485	273	105	840
Public infrastructure	11,004	9,466	1,102	693	1,163
Public safety	458	414	-	-	-
Leisure services	17,187	12,073	10,368	10,870	6,037
Operating grants and contributions	39,775	37,526	41,502	46,634	40,779
Capital grants and contributions	11,843	26,459	37,632	26,582	19,116
Total governmental activities program revenues	95,177	108,850	113,772	111,026	94,862
Business-type activities:					
Charges for services:					
Water and sewer	228,211	240,163	255,568	258,608	264,036
Convention center	13,785	15,085	14,736	16,417	12,396
Mass transit	7,118	6,720	5,707	6,134	4,812
Parking facilities	15,022	15,784	16,259	16,787	14,470
Solid waste services	26,104	27,281	27,709	28,796	30,939
Stormwater	17,939	22,725	23,043	23,259	23,555
Operating grants and contributions	7,685	12,332	11,272	9,836	15,829
Capital grants and contributions	4,835	9,923	5,910	24,811	26,842
Total business-type activities program revenues	320,699	350,013	360,204	384,648	392,879
Total government program revenues	\$ 415,876	\$ 458,863	\$ 473,976	\$ 495,674	\$ 487,741
Net (expense)/revenue:					
Governmental activities	\$ (280,828)	\$ (292,265)	\$ (295,834)	\$ (316,332)	\$ (364,716)
Business-type activities	36,816	54,214	50,580	59,814	56,482
Total government net expense	\$ (244,012)	\$ (238,051)	\$ (245,254)	\$ (256,518)	\$ (308,234)

Changes in Net Position (Continued)
Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)

	2021	2022	2023	2024	2025
Expenses					
Governmental activities:					
General government	\$ 64,614	\$ 86,660	\$ 89,282	\$ 93,277	\$ 97,192
Community development services	27,679	31,436	34,219	37,140	60,272
Public infrastructure	89,897	88,436	105,693	108,574	107,742
Public safety	192,409	186,625	204,826	214,834	246,415
Leisure services	64,369	64,380	76,444	83,198	93,202
Economic development programs	8,817	2,575	4,795	17,560	-
Interest on long-term debt	16,381	15,792	17,435	19,325	22,136
Total governmental activities expenses	464,166	475,904	532,694	573,908	626,959
Business-type activities:					
Water and sewer	185,584	186,015	216,332	231,929	235,573
Convention center	26,887	31,403	37,737	39,481	40,592
Mass transit	37,000	46,554	50,629	52,280	70,412
Parking facilities	12,900	12,929	13,883	15,128	14,965
Solid waste services	40,574	38,442	44,060	45,704	47,881
Stormwater	20,527	21,494	25,907	28,471	30,219
Total business-type activities	323,472	336,837	388,548	412,993	439,642
Total government expenses	\$ 787,638	\$ 812,741	\$ 921,242	\$ 986,901	\$ 1,066,601
Program Revenues					
Governmental activities:					
Charges for services:					
General government	\$ 29,645	\$ 35,627	\$ 43,352	\$ 36,843	\$ 41,133
Community development services	3,154	1,722	531	784	504
Public infrastructure	1,963	1,484	474	555	418
Public safety	-	868	-	-	-
Leisure services	4,533	8,897	10,912	11,740	12,622
Operating grants and contributions	37,950	77,542	76,482	80,028	74,448
Capital grants and contributions	18,283	40,266	60,169	70,598	34,264
Total governmental activities program revenues	95,528	166,406	191,920	200,548	163,389
Business-type activities:					
Charges for services:					
Water and sewer	271,043	282,671	294,774	311,123	331,126
Convention center	2,745	11,860	19,188	19,172	23,360
Mass transit	1,794	2,054	2,016	1,851	2,439
Parking facilities	10,734	13,531	14,490	14,014	15,920
Solid waste services	35,371	37,604	37,989	42,866	46,221
Stormwater	25,779	33,668	34,551	35,897	38,077
Operating grants and contributions	18,167	44,989	35,651	50,260	43,808
Capital grants and contributions	28,305	35,688	34,526	74,774	64,444
Total business-type activities program revenues	393,938	462,065	473,185	549,957	565,395
Total government program revenues	\$ 489,466	\$ 628,471	\$ 665,105	\$ 750,505	\$ 728,784
Net (expense)/revenue:					
Governmental activities	\$ (368,638)	\$ (309,498)	\$ (340,774)	\$ (373,360)	\$ (463,570)
Business-type activities	70,466	125,228	84,637	136,964	125,753
Total government net expense	\$ (298,172)	\$ (184,270)	\$ (256,137)	\$ (236,396)	\$ (337,817)

Changes in Net Position (Continued)
Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)

	2016	2017	2018	2019	2020
General Revenues and Change in Net Position					
Governmental activities:					
Taxes					
Property taxes	\$ 227,723	\$ 243,511	\$ 252,991	\$ 266,350	\$ 271,131
Local sales tax	88,837	92,879	97,394	104,943	107,581
Franchise tax	29,311	28,699	29,425	30,320	28,865
Other taxes	21,526	30,341	39,794	39,798	38,273
Privilege license tax	93	-	-	-	-
Investment earnings	3,257	4,501	5,000	15,636	17,907
Miscellaneous	16,293	12,280	2,116	2,431	1,627
Transfers	(51,072)	(55,334)	(50,803)	(55,046)	(67,795)
Gain on sale of property	7,574	4,196	3,455	4,165	1,886
Capital contributions	-	(2,723)	-	-	-
Total governmental activities	343,542	358,350	379,372	408,597	399,475
Business-type activities:					
Investment earnings	3,824	3,032	4,723	17,022	17,671
Transfers	51,072	54,984	50,803	55,046	67,795
Gain on the sale of property	-	145	769	557	847
Capital contributions	-	2,723	-	-	-
Total business-type activities	54,896	60,884	56,295	72,625	86,313
Total government general revenues	\$ 398,438	\$ 419,234	\$ 435,667	\$ 481,222	\$ 485,788
Change in Net Position					
Governmental activities	\$ 62,714	\$ 66,085	\$ 83,538	\$ 92,265	\$ 34,759
Business-type activities	91,712	115,098	106,875	132,439	142,795
Total government change in net position	\$ 154,426	\$ 181,183	\$ 190,413	\$ 224,704	\$ 177,554

Changes in Net Position (Continued)
Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)

	2021	2022	2023	2024	2025
General Revenues and Change in Net Position					
Governmental activities:					
Taxes					
Property taxes	\$ 275,575	\$ 291,853	\$ 315,814	\$ 359,735	\$ 421,774
Local sales tax	123,182	139,532	150,029	153,635	158,172
Franchise tax	28,598	28,605	30,406	33,385	37,295
Other taxes	43,728	28,379	28,525	28,507	26,360
Privilege license tax	-	-	-	-	-
Investment earnings	17,305	(27,674)	16,744	45,381	49,868
Miscellaneous	672	2,581	3,961	4,455	3,427
Transfers	(56,752)	(58,740)	(54,786)	(55,452)	(79,057)
Gain on sale of property	2,011	1,298	4,478	1,161	787
Capital contributions	-	-	-	-	-
Total governmental activities	434,319	405,834	495,171	570,807	618,626
Business-type activities:					
Investment earnings	6,045	(17,649)	10,359	30,061	33,466
Transfers	56,752	58,740	54,786	55,452	79,057
Gain on the sale of property	674	755	648	1,391	972
Capital contributions	-	-	-	-	-
Total business-type activities	63,471	41,846	65,793	86,904	113,495
Total government general revenues	\$ 497,790	\$ 447,680	\$ 560,964	\$ 657,711	\$ 732,121
 Change in Net Position					
Governmental activities	\$ 65,681	\$ 96,336	\$ 154,397	\$ 197,447	\$ 155,056
Business-type activities	133,937	167,074	150,430	223,868	239,248
Total government change in net position	\$ 199,618	\$ 263,410	\$ 304,827	\$ 421,315	\$ 394,304

Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(amounts expressed in thousands)

	2016	2017	2018	2019	2020
General fund					
Nonspendable	\$ 4,762	\$ 4,823	\$ 8,277	\$ 11,197	\$ 13,833
Restricted	55,361	56,389	59,670	63,716	58,985
Committed	2,898	3,924	4,088	4,616	5,535
Assigned	120,418	132,624	135,791	159,232	178,586
Unassigned	84,784	76,757	74,033	85,438	91,731
Total general fund	\$ 268,223	\$ 274,517	\$ 281,859	\$ 324,199	\$ 348,670
All other governmental funds					
Nonspendable	\$ 72,920	\$ 72,483	\$ -	\$ -	\$ -
Restricted	41,491	43,056	46,493	54,162	46,669
Assigned	176,675	210,091	256,998	221,396	241,189
Unassigned	-	-	-	-	-
Total all other governmental funds	\$ 291,086	\$ 325,630	\$ 303,491	\$ 275,558	\$ 287,858

Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(amounts expressed in thousands)

	2021	2022	2023	2024	2025
General fund					
Nonspendable	\$ 13,704	\$ 18,618	\$ 17,288	\$ 23,648	\$ 27,118
Restricted	65,114	70,716	79,948	83,077	88,087
Committed	7,815	7,250	10,092	5,159	-
Assigned	214,304	224,547	236,873	294,842	340,399
Unassigned	104,220	107,716	126,366	137,368	149,786
Total general fund	\$ 405,157	\$ 428,847	\$ 470,567	\$ 544,094	\$ 605,390
All other governmental funds					
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ 78,242
Restricted	37,820	52,409	100,089	99,997	130,778
Assigned	213,161	224,693	276,522	328,987	256,482
Unassigned	-	-	-	-	(9,425)
Total all other governmental funds	\$ 250,981	\$ 277,102	\$ 376,611	\$ 428,984	\$ 456,077

Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(amounts expressed in thousands)

	2016	2017	2018	2019	2020
Revenues					
Ad valorem taxes	\$ 227,934	\$ 243,503	\$ 252,969	\$ 266,299	\$ 270,851
Intergovernmental	94,840	104,716	83,871	75,153	68,420
Project revenue (non-grant)	-	3,650	2,092	3,611	192
Non-governmental grants	3	46	128	129	-
Mutual aid reimbursements	-	-	-	511	11
Developer participation	-	-	-	-	20
Assessments	1,294	1,427	1,349	849	1,257
Franchise tax ⁽³⁾	-	-	29,425	30,320	28,865
Local sales tax	88,837	92,879	97,394	104,943	107,581
Licenses	14,772	15,087	14,910	14,798	14,360
Gain (loss) on investments	4,614	3,810	5,434	16,836	17,392
Inspection fees	12,757	12,250	16,664	18,317	16,499
Highway maintenance refunds	857	1,148	1,079	975	1,185
Facility fees	9,891	8,235	9,627	11,431	9,602
Parks and recreation fees ⁽⁴⁾	-	-	6,368	6,790	3,779
Other fees and charges	16,087	16,869	7,028	6,540	5,292
Rents	719	763	2,475	2,480	1,992
Leases	-	-	-	-	-
Program income	902	878	1,346	674	983
Recovery of claims	-	-	-	573	84
Donations and contributions ⁽⁵⁾	-	-	3,700	2,402	1,759
Miscellaneous other	2,987	2,567	1,230	1,179	1,493
Total revenues	476,494	507,828	537,089	564,810	551,617
Expenditures					
General government	46,090	45,825	52,700	56,254	57,765
Community development services	19,952	30,421	30,529	30,882	38,343
Public works ⁽²⁾	75,675	-	-	-	-
Public infrastructure	-	114,548	103,318	82,898	85,574
Public safety	188,839	169,281	179,130	185,857	202,243
Leisure services	118,035	67,667	65,968	82,835	81,743
Economic development programs	6,979	3,331	5,474	4,151	3,152
Debt service					
Principal	34,400	40,092	43,399	40,823	40,529
Interest	21,362	21,201	21,488	19,995	18,937
Other debt service expenditures	746	921	326	648	1,036
Total expenditures	512,078	493,287	502,332	504,343	529,322
Other financing sources (uses)					
Transfers in	40,338	52,318	42,617	35,278	30,897
Transfers out	(90,990)	(103,992)	(95,019)	(85,030)	(96,697)
Proceeds from sale of property	7,574	4,196	2,848	3,692	1,287
Bonds issuance	-	68,000	-	-	72,162
Premium on bonds issued	335	5,775	-	-	6,381
Premium on refunding bond issued	-	-	-	-	5,426
Refunding bonds issuance	60,892	-	-	-	56,590
Payments to escrow agent	-	-	-	-	(61,570)
Total other financing sources (uses)	18,149	26,297	(49,554)	(46,060)	14,476
Net change in fund balances	\$ (17,435)	\$ 40,838	\$ (14,797)	\$ 14,407	\$ 36,771
Debt service as a percentage of noncapital expenditures ⁽¹⁾	15.39%	15.69%	15.57%	14.42%	13.51%

⁽¹⁾ Capital outlay component of ratio calculation included as follows: FY16 -FY22 - capital outlay as per reconciliation of statement of revenues, expenditures, and changes in fund balances of governmental funds to the statement of activities

⁽²⁾ Public works changed to public infrastructure in FY17 as part of a City-wide department reorganization effort.

⁽³⁾ ⁽⁴⁾ ⁽⁵⁾ For improved 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.

⁽⁶⁾ Adjusted to show the refunding of bonds issued and payment to bond refunding escrow agent in FY20.

Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(amounts expressed in thousands)

	2021	2022	2023	2024	2025
Revenues					
Ad valorem taxes	\$ 275,622	\$ 291,708	\$ 315,668	\$ 359,521	\$ 421,289
Intergovernmental	67,625	112,368	115,516	128,876	96,055
Project revenue (non-grant)	-	-	-	-	-
Non-governmental grants	105	262	9,943	10,011	3,084
Mutual aid reimbursements	14	-	-	-	-
Developer participation	1,657	15	76	640	-
Assessments	2,139	1,657	528	571	429
Franchise tax ⁽³⁾	28,599	28,606	30,483	33,385	37,295
Local sales tax	123,182	139,532	150,029	153,635	158,172
Licenses	15,120	14,737	14,508	14,294	14,342
Gain (loss) on investments	11,849	(24,584)	17,333	43,684	46,730
Inspection fees	19,350	24,756	24,989	25,334	23,773
Highway maintenance refunds	1,008	1,014	1,048	1,121	1,267
Facility fees	11,439	16,465	17,931	15,182	12,303
Parks and recreation fees ⁽⁴⁾	2,952	5,505	6,844	7,109	7,823
Other fees and charges	3,982	6,603	7,203	7,663	7,308
Rents	764	2,358	4,033	4,311	3,352
Leases	-	374	-	-	-
Program income	3,203	1,994	673	1,037	569
Recovery of claims	51	-	-	-	-
Donations and contributions ⁽⁵⁾	2,320	3,040	3,229	1,898	2,506
Miscellaneous other	1,030	1,887	1,664	1,616	2,262
Total revenues	572,011	628,297	721,698	809,888	838,559
Expenditures					
General government	59,526	79,894	81,125	86,412	106,089
Community development services	31,344	39,710	39,844	57,755	42,162
Public works ⁽²⁾	-	-	-	-	-
Public infrastructure	105,279	101,869	101,767	112,475	182,961
Public safety	197,868	196,092	206,966	224,835	255,625
Leisure services	76,577	72,010	95,322	118,530	124,138
Economic development programs	8,817	2,576	4,795	17,560	20,783
Debt service					
Principal	41,304	41,356	40,068	45,482	54,195
Interest	18,067	16,557	18,341	21,176	23,538
Other debt service expenditures	1,023	576	1,136	950	1,598
Total expenditures	539,805	550,640	589,364	685,175	811,089
Other financing sources (uses)					
Transfers in	21,003	50,846	61,998	75,411	86,924
Transfers out	(80,063)	(110,682)	(119,609)	(135,771)	(168,496)
Proceeds from sale of property	937	806	4,256	615	155
Bonds issuance	45,527	31,184	62,251	60,931	130,757
Premium on bonds issued	-	-	-	-	-
Premium on refunding bond issued	-	-	-	-	-
Refunding bonds issuance	-	-	-	-	150,156,185
Payments to escrow agent	-	-	-	-	(150,156,185)
Total other financing sources (uses)	(12,596)	(27,846)	8,896	1,186	49,340
Net change in fund balances	\$ 19,610	\$ 49,811	\$ 141,230	\$ 125,899	\$ 76,810
Debt service as a percentage of noncapital expenditures ⁽¹⁾	13.39%	12.34%	11.54%	11.94%	12.36%

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)
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	61,441,677	0.4382
2021	69,010,673	7,892,835	859,113	77,762,621 ⁽¹⁾	0.3552
2022	69,143,646	8,132,646	1,019,206	78,295,498	0.3730
2023	70,041,816	8,624,750	954,931	79,621,497	0.3930
2024	72,181,760	9,341,478	857,917	82,381,155	0.4330
2025	107,881,470	10,509,459	878,365	119,269,294 ⁽¹⁾	0.3550

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.

Sources:

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
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	0.9552
2022		0.3730	0.6000	0.9730
2023		0.3930	0.6195	1.0125
2024		0.4330	0.6570	1.0900
2025	(1)	0.3550	0.5135 (2)	0.8685

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 0.7987.

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 Ten Years Ago
(amounts expressed in thousands)**

Taxpayer	2025			2016		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
First Citizens Bank	\$ 475,820	1	0.40%	\$ 181,188	4	0.34%
Highwoods Realty LP	465,953	2	0.39%	397,089	1	0.74%
Duke Energy Progress Inc	419,622	3	0.35%	358,077	2	0.67%
Mid America Apartments LP	375,835	4	0.32%	-	-	-
State Employees Credit Union	280,892	5	0.24%	146,628	6	0.27%
LVA4 Raleigh P&W LLC	243,729	6	0.20%	-	-	-
SREIT	242,064	7	0.20%	-	-	-
North Hills Owner LP	235,984	8	0.20%	132,912	7	0.25%
CVM Holdings LLC	215,363	9	0.18%	334,550	3	0.62%
HCH Raleigh RE	212,953	10	0.18%	-	-	-
Triangle Town Center LLC	-	-	-	173,177	5	0.32%
Highwoods DLF Forum LLC	-	-	-	116,825	8	0.22%
150 Fayetteville TIC Owner LLC	-	-	-	110,377	9	0.21%
Raleigh Portfolio NW LLC	-	-	-	101,601	10	0.19%
Totals	\$ 3,168,215		2.66%	\$ 2,052,424		3.83%

Note:

Above taxable assessed valuations are as of January 1, 2024 and 2015 respectively, and the associated tax levies were due in the fiscal year ended June 30, 2025 and 2016 respectively.

Source:

Wake County website, Statistics and Reports and 2016 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
2016	\$ 227,479	\$ 225,261	99.02%	\$ 138	\$ 225,399	99.09%
2017	243,201	241,145	99.15%	(30)	241,115	99.14%
2018	252,877	250,734	99.15%	247	250,981	99.25%
2019	266,178	263,654	99.05%	329	263,983	99.18%
2020	271,048	267,946	98.86%	642	268,588	99.09%
2021	275,554	272,426	98.86%	(420)	272,006	98.71%
2022	291,972	289,350	99.10%	250	289,600	99.19%
2023	314,023	311,093	99.07%	319	311,412	99.17%
2024	357,642	354,310	99.07%	334	354,645	99.16%
2025	419,217	414,812	98.95%	-	414,812 ⁽¹⁾	98.95%

Note:

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

Total collected as per above	\$ 414,812
Penalties collected	845
Prior year collections in current year	435
Special districts	5,197
Ad valorem taxes collected per general fund financial statements	\$ 421,289

Collection in Subsequent Years updated to remove interest and fees previously reported.

Analysis of Current Tax Levy

City - Wide Levy

For the Fiscal Year Ended June 30, 2025

	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	\$ 117,702,359,127	\$.3550	\$ 417,766,935	\$ 400,192,548	\$ 17,574,387
Registered motor vehicles taxed at prior year's rate	1,385,611,834	.4330	5,991,837	-	5,991,837
	<u>119,087,970,961</u>		<u>423,758,772</u>	<u>400,192,548</u>	<u>23,566,224</u>
Discoveries:					
Prior years' taxes	<u>181,322,604 ⁽¹⁾</u>		<u>735,716</u>	<u>735,716</u>	<u>-</u>
Total property valuation	<u>\$ 119,269,293,565</u>				
Deferred and waived			2,517,446	2,517,446	-
Penalty			845,098	845,098	-
Rebates			<u>(8,640,192) ⁽²⁾</u>	<u>(8,640,192)</u>	<u>-</u>
Net levy			419,216,840	395,650,616	23,566,224
Uncollected taxes at June 30, 2025			<u>(1,042,700)</u>	<u>(1,042,700)</u>	<u>-</u>
Current year's taxes collected			<u>\$ 418,174,140</u>	<u>\$ 394,607,916</u>	<u>\$ 23,566,224</u>
Current levy collection percentage			<u>99.75%</u>	<u>99.74%</u>	<u>100.00%</u>

⁽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, 2025

Fiscal Year Ended June 30	Taxes Receivable June 30, 2024	Additions	Collections and Other Reductions	Taxes Receivable June 30, 2025
				(1)
2016	\$ 148,864	\$ -	\$ 1,240	\$ 147,624
2017	525,644	-	1,084	524,560
2018	77,735	-	1,743	75,992
2019	157,911	-	3,251	154,660
2020	292,734	-	7,204	285,530
2021	634,248	-	9,400	624,848
2022	528,618	-	22,130	506,488
2023	513,399	-	49,021	464,378
2024	737,758	-	186,622	551,136
2025	-	430,226,885	428,799,760	1,427,125
Totals	\$ 3,616,911	\$ 430,226,885	\$ 429,081,455	\$ 4,762,341
			(2)	

Notes:

(1) Ad valorem taxes receivable only; does not include vehicle tag fee receivable (\$645,684).

(2) Reconciliation to revenues collected:

Collections and other reductions per above	\$ 429,081,455
Late list penalties collected-Wake County	(183,648)
Penalties collected	845,098
Prior year levy adjustments	140,541
Rebates and waived taxes	(8,594,648)
	\$ 421,288,798

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	
	General Obligation Bonds	General Bond Anticipation Notes	Installment Financing Agreements	Lease & IT Subscription Liability	General Obligation Bonds	Water and Sewer Revenue Bonds	Revenue Bond Anticipation Notes	Installment Financing Agreements	Lease & IT Subscription Liability	Per Capita			
											(1)	(1)	
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	6.12%	3,539.48	
2020 ⁽³⁾	311,002 ⁽⁴⁾	34,751	252,646	-	-	673,166	-	370,917	-	1,642,482	5.69%	3,464.42	
2021 ⁽³⁾	282,486 ⁽⁴⁾	80,278	241,222	-	-	639,899	30,100 ⁽⁵⁾	403,649	-	1,677,634	5.96%	3,469.06	
2022 ⁽³⁾	254,075 ⁽⁴⁾	111,461	211,692	17,564	-	604,425	154,000 ⁽⁵⁾	374,346	1,764	1,729,327	5.05%	3,559.53	
2023 ⁽³⁾	391,298 ⁽⁴⁾	9,851	214,449	17,638	-	776,172	21,500 ⁽⁵⁾	362,761	4,293	1,797,962	5.06%	3,758.47	
2024 ⁽³⁾	358,104 ⁽⁴⁾	70,782	185,544	18,135	-	739,846	83,200 ⁽⁵⁾	328,485	4,365	1,788,461	(2)	3,658.48	
2025 ⁽³⁾	436,076 ⁽⁴⁾	91,198	204,675	26,281	-	702,105	176,700 ⁽⁵⁾	315,959	5,898	1,958,892	(2)	3,968.67	

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

⁽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⁾ Governmental Activities Bond Anticipation Notes presented separately from General Obligation Bonds.

⁽⁵⁾ Revenue Bond Anticipation Notes presented separately from Revenue Bonds.

	Governmental Activities	Business-type Activities
General obligation bonds	\$ 436,076	\$ -
Revenue bonds	-	702,105
Bond anticipation notes	91,198	176,700
Installment financing agreements	204,675	315,959
Compensated absences	32,423	7,251
Landfill postclosure costs	-	4,451
Lease liabilities	24,798	3,200
IT subscription liabilities	1,483	2,698
Claims payable	25,399	-
	\$ 816,052	\$ 1,212,364

Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years
(amounts expressed in thousands, except per capital amounts)

Fiscal Year		General Bonded Debt	Net Bonded Debt	Percentage Actual Taxable Value of Property	Per Capita Bonded Debt	
					General	Net
		(1)	(2)	(3)	(4)	
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	362,357	0.47%	750	749
2022	(5)	365,536	365,129	0.47%	761	760
2023	(5)	401,149	400,871	0.50%	849	848
2024	(5)	428,886	428,617	0.52%	877	877
2025	(5)	527,274	527,035	0.44%	1,068	1,068

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, 2025
(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⁾	\$ 758,231	100.00%	\$ 758,231
Overlapping Debt: ⁽²⁾			
Wake County Debt ⁽³⁾	2,923,116	38.76% ⁽⁴⁾	1,133,071
Total Direct and Overlapping Debt	<u>\$ 3,681,347</u>		<u>\$ 1,891,302</u>

Notes:

⁽¹⁾ This total includes all governmental activities debt including leases and IT subscriptions.

⁽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 \$1,147,003,652 of Wake County School bonds and Wake County leases and IT subscriptions.

⁽⁴⁾ Percentage of direct and overlapping debt is based on June 30, 2025 assessed valuation of the City of Raleigh (\$119,269,293,565) as compared to the June 30, 2025 assessed valuation of Wake County (\$307,692,798,941).

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
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%
2022	6,263,640	1,230,383	5,033,257	19.64%
2023	6,369,720	1,484,582	4,885,138	23.31%
2024	6,590,492	1,446,991	5,143,501	21.96%
2025	9,541,544	1,352,544	8,189,000	14.18%

Legal Debt Margin Calculation for Fiscal Year 2025

Assessed value \$ 119,269,294

Debt limit (8% of assessed value) 9,541,544

Debt applicable to limit:

General Obligation bonds 436,076

GO bonds authorized not issued 410,310

Other outstanding debt 506,397

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 (239)

Total net debt applicable to limit 1,352,544

Legal debt margin \$ 8,189,000

Pledged Revenue Coverage Last Ten Fiscal Years

Fiscal Year Ended	Gross Revenues	15% of CY Unrestricted Net Position	Operating Expenses	Debt Service Requirements (3 and 4)	Debt Service Requirements ⁽³⁾			Coverage Ratios			
					Principal	Interest	Total	Net	With 15%	Covenanted Coverage	
(1)											
(1)											
Parity Debt Service Coverage ⁽²⁾											
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	53,200,063	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
2022	289,808,464	66,248,919	112,310,105	177,498,359	32,530,000	22,144,500	54,674,500	3.25	⁽⁴⁾	4.46	1.20
2023	301,273,561	65,370,214	123,551,522	177,722,039	31,395,000	25,930,436	57,325,436	3.10	⁽⁴⁾	4.24	1.20
2024	324,856,321	64,035,999	136,050,950	188,805,371	33,470,000	25,989,357	59,459,357	3.18	⁽⁴⁾	4.25	1.20
2025	346,214,825	78,826,551	140,843,862	205,370,963	34,885,000	31,043,064	65,928,064	3.12	⁽⁴⁾	4.31	1.20

Parity and Subordinate Debt Service Coverage ⁽³⁾

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
2022	289,808,464	112,310,105	177,498,359	37,057,606	23,345,718	60,403,324	2.94	⁽⁴⁾ 1.00
2023	301,273,561	123,551,522	177,722,039	36,030,622	27,050,605	63,081,227	2.82	⁽⁴⁾ 1.00
2024	324,856,321	136,050,950	188,805,371	40,605,622	27,028,477	67,634,099	2.79	⁽⁴⁾ 1.00
2025	346,214,825	140,843,862	205,370,963	42,020,622	32,001,135	74,021,757	2.77	⁽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)	(3)	(4)	(5)
2016	\$ 441,326	\$ 22,753,573	\$ 50,444	\$ 164,429	4.3
2017	449,477	24,065,503	52,444	169,436	3.6
2018	457,159	25,582,604	55,045	170,202	3.6
2019	464,485	27,149,359	57,851	171,158	4.1
2020	469,698	28,863,217	60,884	172,292	8.2
2021	462,219	28,141,742	68,848 ⁽⁶⁾	172,965	4.5
2022	479,138	33,840,559	70,628	174,599	3.6
2023	472,540	35,501,458	75,129	175,368	3.4
2024	488,854	Unavailable	Unavailable	179,912	3.8
2025	493,589	Unavailable	Unavailable	183,667	3.1

Sources:

⁽¹⁾ Population: FY2026 Budget Book, Urban Measures pg 31. World Population Review.

⁽²⁾ Personal Income found by formula: multiplying ⁽¹⁾ Population by ⁽³⁾ Per Capita Personal Income and then Dividing by 1000

⁽³⁾ U.S. Bureau of Economic Analysis. Per capita income for the Raleigh-Cary MSA. Updated 2023 info as released as of November 2024. Data for 2024 and 2025 are unavailable.

⁽⁴⁾ North Carolina Department of Public Instruction, Information Analysis and Reporting. ADM = Average daily membership. Includes all Wake County charter schools.

⁽⁵⁾ U.S. Bureau of Labor Stats. Estimated percentage of labor force unemployed in Raleigh, not seasonally adjusted

⁽⁶⁾ Per Capita Income 2021 updated based on BEA updated 5 year schedule.

Note: Unemployment Rate data reported as of May 2025. Population and Per Capita Personal Income data reported as of June 2025. School Enrollment ADM reported as of July 2025.

Principal Employers Current Year and Ten Years Ago

Employer	2025			2016		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
State of North Carolina	24,083	1	8.68%	19,709	1	8.33%
Wake County Public School System	17,000	2	6.12%	18,026	2	7.62%
Wake Med Health and Hospitals	10,307	3	3.71%	8,948	3	3.78%
Food Lion	9,037	4	3.26%	-	-	-
North Carolina State University	9,019	5	3.25%	8,717	4	3.68%
Target Stores	8,400	6	3.03%	-	-	-
UNC Rex Healthcare System	7,700	7	2.77%	-	-	-
Harris Teeter	5,300	8	1.91%	-	-	-
Wake County Government	4,389	9	1.58%	-	-	-
City of Raleigh	3,974	10	1.43%	4,163	6	1.76%
Rex Healthcare	-	-	-	5,269	5	2.23%
NC Department of Health and Human Services	-	-	-	3,871	7	1.64%
Duke Energy Progress	-	-	-	3,700	8	1.56%
Wake County	-	-	-	3,594	9	1.52%
Wake Technical Community College	-	-	-	2,268	10	0.96%
Total	99,209		35.74%	78,265		33.08%

Notes:

City-wide employment as of June 30, 2025: 277,572

City-wide employment as of June 30, 2016: 236,634

Source:

Wake County Economic Development, last available report as of January 1, 2024

NC Department of Commerce (LAUS City Wide Employment)

City Government Employees By Function/Department Last Ten Fiscal Years

Function	Employees as of June 30									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Policy & Management Services									(5)	
General Government	109	111	111	111	132	132	135	140	146	148
Human Resources	31	33	34	34	34	32	34	36	45	49
Finance	65	63	63	62	62	62	62	63	63	63
Information Technology ⁽⁴⁾	80	81	90	90	90	90	90	89	92	93
Infrastructure & Public Services⁽⁶⁾										
Public Infrastructure ^{(1) (3)}	586	597	627	628	654	654	669	682	678	698
Planning & Development Services ⁽²⁾	195	210	215	218	193	193	193	193	193	194
Solid Waste Services	208	210	213	210	210	210	210	210	210	210
Housing and Neighborhoods	76	76	76	79	70	70	74	75	75	78
Public Safety										
Police	902	904	906	901	901	901	908	908	915	921
Fire	611	621	621	621	621	621	626	627	631	632
Emergency Communications	127	129	129	129	129	129	129	129	130	130
Water and Sewer	652	656	659	663	663	663	663	677	677	677
Leisure Services										
Convention Center	104	107	109	116	116	116	116	116	129	123
Parks & Recreation	417	420	423	429	429	429	435	438	531	556
Total	4,163	4,218	4,276	4,291	4,304	4,302	4,344	4,383	4,515	4,572

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⁾ Public Works changed to Public Infrastructure to include Engineering Services and Transportation - 2017.

⁽⁴⁾ Changed name to Information Technology from Information Services - 2017.

⁽⁵⁾ Permanent part-time employees included in total beginning in 2024

⁽⁶⁾ Changed name to Infrastructure & Public Services from Community Development Services - 2025

Source:

City of Raleigh Adopted Budget - Position Summary

Operating Indicators by Function Last Ten Fiscal Years

Function	Fiscal Year				
	2016	2017	2018	2019	2020
Community Development Services Inspections and Permits (all trade types)	117,340	123,119	118,368	119,149	97,012
Community Development:					
New housing units constructed	18	5	18	28	19
Homeownership loans provided	66	32	38	61	62
Rehabilitation loans provided	42	29	36	30	29
Public Infrastructure					
Asphalt failures repaired	5,800	4,257	3,213	5,157	96,921 ⁽⁴⁾
Drainage structures repaired/maintained/inspected ⁽³⁾	2,721	2,176	3,857	22,804	8,596
Police					
Physical arrests and citations	75,157	68,214	60,095	52,784	33,297
Traffic accidents investigated	27,566	27,621	25,016	25,937	31,425
Fire					
Emergency responses	39,301	40,891	40,518	42,173	43,782 ⁽⁷⁾
Fire calls answered	1,079	1,188	1,138	896	1,048
Emergency Communications					
911 calls processed	611,047	574,315	622,515	553,997	535,000 ⁽¹⁾
Solid Waste					
Refuse collected (tons)	98,028	94,252	94,800	92,524	92,600 ⁽¹⁾
Recyclables collected (tons)	28,239	28,412	28,690	27,966	27,970 ⁽¹⁾
Water					
Number of consumers	191,479	195,681	198,984	204,377	207,596
Average daily consumption (millions of gallons per day)	49.00	55.78	49.75	49.06	51.44
Maximum daily flow (millions of gallons per day)	62.00	62.59	63.40	69.18	67.40
Wastewater					
Average daily sewage treatment (millions of gallons per day)	50.00	50.11	48.76	48.96	50.23 ⁽⁵⁾
Maximum daily flow (millions of gallons per day)	89.00	101.09	64.49	101.08	116.63 ⁽⁵⁾
Leisure Services					
Convention center events	912	917	924	927	622 ⁽⁶⁾
Event attendance	973,038	1,346,883	1,375,964	1,197,309	552,870 ⁽⁶⁾
Parks and recreation programs	11,810	13,088	13,343	13,389	12,915
Registrants	148,194	105,102	114,270	113,587	69,072 ⁽⁶⁾
Attendance at parks & recreation facilities (millions) ⁽²⁾	-	-	3.1	2.9	1.5 ⁽⁶⁾

Notes:

⁽¹⁾ Numbers represent estimates.

⁽²⁾ Parks and Recreation changed reporting measure in years 2016 to 2017 to not include attendance at facilities.

⁽³⁾ Infrastructure reports changed reporting measure starting in 2019 to include inspections of drainage structures as well.

⁽⁴⁾ Change in reporting measure from count to feet beginning in 2020. Further change to reporting from feet to tons to align with industry standards beginning in 2022.

⁽⁵⁾ Number represents NRRRF, SCRRF, and LCRRF beginning 2020. Prior to 2020, this number only included NRRRF.

⁽⁶⁾ Global COVID-19 pandemic forced pass closures of public venues, and led to significant cancellations.

⁽⁷⁾ Changed to reflect fiscal year operating indicators from fiscal year 2018 through 2020

Source:

Various city departments and the Budget and Management Services Department's Performance Indicators document.

Operating Indicators by Function Last Ten Fiscal Years

Function	Fiscal Year				
	2021	2022	2023	2024	2025
Community Development Services Inspections and Permits (all trade types)	102,476	136,709	175,799	173,029	159,403
Community Development:					
New housing units constructed	21	8	5	34	24
Homeownership loans provided	59	16	9	59	81
Rehabilitation loans provided	23	16	15	28	33
Public Infrastructure					
Asphalt failures repaired	54,041	21,949 ⁽⁴⁾	28,188	18,945	20,680
Drainage structures repaired/maintained/inspected ⁽³⁾	6,982	23,942	13,031	17,180	9,450
Police					
Physical arrests and citations	30,604	36,883	24,180	27,575	25,536
Traffic accidents investigated	26,984	22,046	22,005	22,136	22,177
Fire					
Emergency responses	43,980	51,293	52,591	56,713	60,880
Fire calls answered	1,028	1,209	1,094	1,296	1,266
Emergency Communications					
911 calls processed	515,516	545,929	555,921	540,606	548,697
Solid Waste					
Refuse collected (tons)	100,490	97,437	98,436	95,535	96,256
Recyclables collected (tons)	30,205	27,915	26,528	24,265	24,064
Water					
Number of consumers	211,910	216,651	221,819	228,324	234,218
Average daily consumption (millions of gallons per day)	51.32	53.56	56.02	59.23	55.29
Maximum daily flow (millions of gallons per day)	67.99	69.49	67.58	78.73	100.49
Wastewater					
Average daily sewage treatment (millions of gallons per day)	52.65	48.93	51.38	50.87	59.54
Maximum daily flow (millions of gallons per day)	84.49	76.58	82.45	78.73	77.57
Leisure Services					
Convention center events	119 ⁽⁶⁾	646	795	831	795
Event attendance	35,758 ⁽⁶⁾	652,148	843,505	908,039	1,219,376
Parks and recreation programs	17,602	9,741	9,135	8,968	10,290
Registrants	75,380 ⁽⁶⁾	91,889	86,910	69,501	82,236
Attendance at parks & recreation facilities (millions) ⁽²⁾	0.8 ⁽⁶⁾	1.4	2.0	2.1	2.1

⁽¹⁾ Numbers represent estimates.

⁽²⁾ Parks and Recreation changed reporting measure in years 2015 to 2017 to not include attendance at facilities.

⁽³⁾ Infrastructure reports changed reporting measure starting in 2019 to include inspections of drainage structures as well.

⁽⁴⁾ Change in reporting measure from count to feet beginning in 2020. Further change to reporting from feet to tons to align with industry standards beginning in 2022.

⁽⁵⁾ Number represents NRRRF, SCRRF, and LCRRF beginning 2020. Prior to 2020, this number only included NRRRF.

⁽⁶⁾ Global COVID-19 pandemic forced pass closures of public venues, and led to significant cancellations.

⁽⁷⁾ Changed to reflect fiscal year operating indicators from fiscal year 2018 through 2020

Source:

Various city departments and the Budget and Management Services Department's Performance Indicators document.

Capital Asset Statistics by Function Last Ten Fiscal Years

Function	2016	2017	2018	2019	2020
Public safety					
Police stations	6	6	6	6	6
Fire stations	28	28	29	29	29
Highways and streets					
Streets (miles) - City ⁽²⁾	1,092	1,094	1,100	1,104	1,115
Streets (miles) - State ⁽²⁾	265	272	269	265	270
Streetlights	34,891	35,038	35,228	35,527	35,681
Signalized intersections	620	620	625	625	635
Leisure services					
Number of major parks ⁽¹⁾	86	112	197	197	199
Parks acreage	9,893	9,893	10,124	10,126	10,130
Aquatic facilities	9	9	8	8	8
Community centers (staffed and unstaffed)	49	49	49	49	38
Water					
Water mains (miles)	2,355	2,496	2,521	2,602	2,658
Sewers					
Sanitary sewers (miles)	2,300	2,569	2,616	2,649	2,690

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 separately display 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 the Budget and Management Services Department

Capital Asset Statistics by Function Last Ten Fiscal Years

Function	2021	2022	2023	2024	2025
Public safety					
Police stations	6	6	6	6	6
Fire stations	29	29	29	28	28
Highways and streets					
Streets (miles) - City ⁽²⁾	1,123	1,132	1,145	1,148	1,156
Streets (miles) - State ⁽²⁾	269	272	273	267	264
Streetlights	36,192	36,640	36,753	37,399	37,847
Signalized intersections	647	661	661	663	663
Leisure services					
Number of major parks ⁽¹⁾	199	199	200	205	205
Parks acreage	10,018	10,054	10,054	10,352	10,352
Aquatic facilities	8	8	8	8	8
Community centers (staffed and unstaffed)	49	49	49	51	51
Water					
Water mains (miles)	2,719	2,769	2,418	2,529	2,584
Sewers					
Sanitary sewers (miles)	2,723	2,771	2,600	2,711	2,767

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 separately display 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 the Budget and Management Services Department

**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, 2025, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements, and have issued our report thereon dated October 31, 2025.

Report on 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 that 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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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.

Cherry Bekaert LLP

Raleigh, North Carolina
October 31, 2025





Raleigh

OFFICE OF THE CITY MANAGER

919.996.3070

OFFICE OF THE CHIEF FINANCIAL OFFICER

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